

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR 303/825-5101 1616 Glenarm Pl. #2600

Santa Fe Energy Operating Partners, L.P. Denver, CO 80202

3. ADDRESS OF OPERATOR 303/322-7878 P.O. Box 44065

Permuto Inc. - Agent Denver, CO 80201-4065

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

2250' FSL and 1825' FEL

At proposed prod. zone

NW SE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles southeast of Blanding, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

390'

16. NO. OF ACRES IN LEASE

2240

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

none

19. PROPOSED DEPTH

5850'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5414' GR

22. APPROX. DATE WORK WILL START*

Immediately upon approval
of this application.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	220'	230 sx or suffic to circ to surf.
12-1/4"	8-5/8"	24#	2200'	1000 sx or suffic to circ to surf.
7-7/8"	5-1/2"	15.5#	5850'	200 sx or suffic. to cover zones of interest.

Santa Fe Energy Operating Partners, L.P. proposes to drill a well to 5850' to test the Ismay and Desert Creek formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8/17/84

BY: [Signature]

WELL SPACING: R615-2-3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

[Signature]

TITLE

Consultant for

Santa Fe Energy Operating Partners, L.P. 7/30/87

(This space for Federal or State office use)

PERMIT NO.

43-037-31338

APPROVAL DATE

RECEIVED

APPROVED BY

TITLE

AUG 3 1987

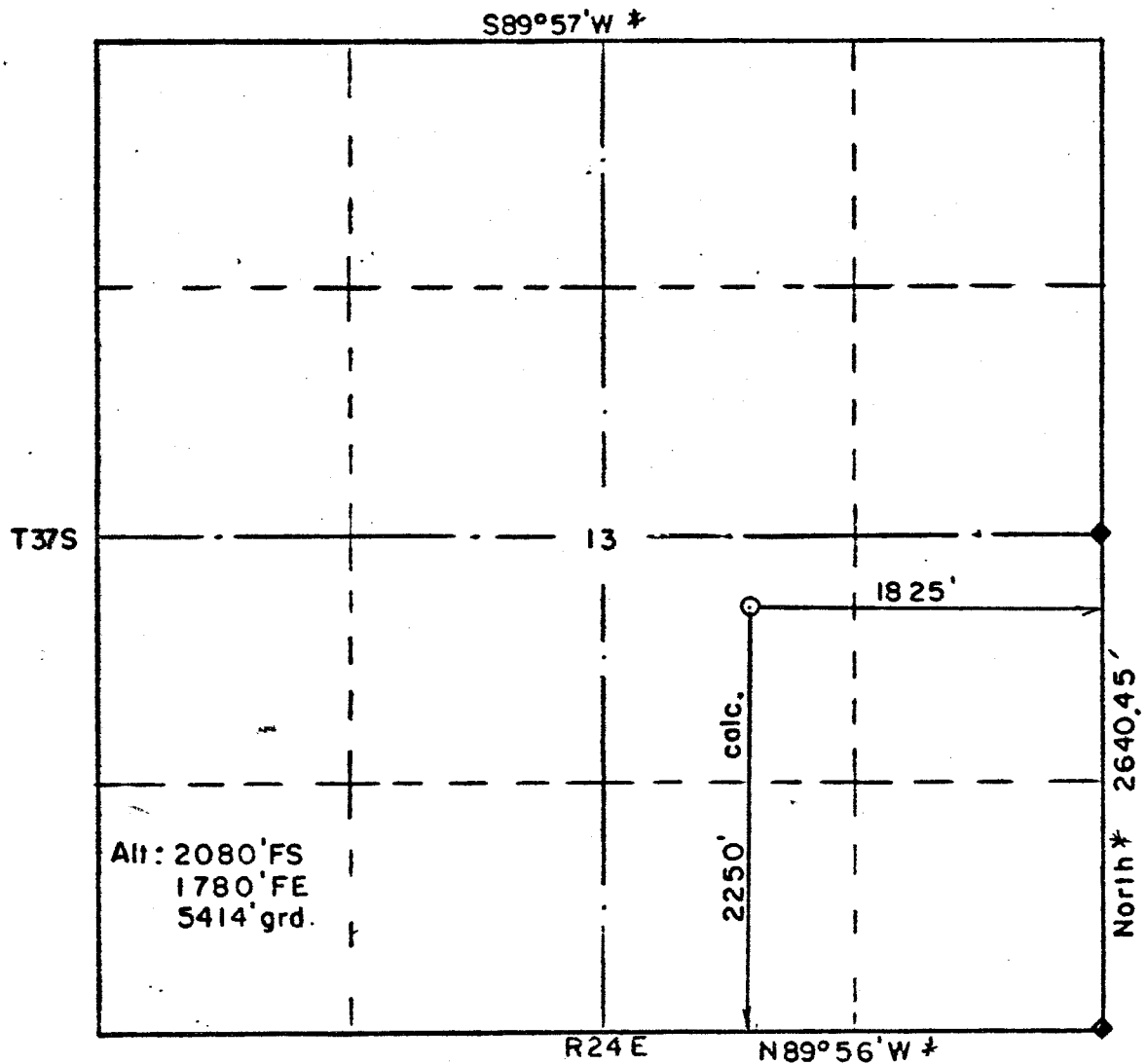
CONDITIONS OF APPROVAL, IF ANY:

cc: Division of Oil, Gas & Mining, SLC, UT

*See Instructions On Reverse Side

DIVISION OF OIL
GAS & MINING

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'
◆ Brass cap
* GLO

Operator Santa Fe Energy		Well name Bradford Canyon Fed. 1-13	
Section 13	Township 37 South	Range 24 East	Meridian SLM
Footages 2250'FS & 1825'FE		County/State San Juan UT	Elevation 5409'
Formation	Dedicated Acreage	Requested by Permitco	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p style="text-align: center;"> Gerald G. Huddleston, L.S. 7-22-'87 </p>			

DESIGNATION OF AGENT

RECEIVED
MOAB DISTRICT OFFICE

1987 JUL 31 AM 8:42 *jt*

Supervisor, Oil and Gas Operations:

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

The undersigned is, on the records of the ~~Geological Survey~~ *BLM*
Unit Operator under the Bradford Canyon Unit Agreement, San Juan
County, Utah, No. 14-08-0001-20400 approved July 27, 1982 and hereby
designated:

NAME: Santa Fe Energy Operating Partners, L.P.
ADDRESS: 1616 Glenarm Place, Suite 2600
Denver, Colorado 80202

as its agent, with full authority to act in its behalf in complying
with the terms of the Unit Agreement and regulations applicable
thereto and on whom the supervisor or his representative may serve
written or oral instructions in securing compliance with the Oil and
Gas Operating Regulations with respect to drilling, testing and
completing unit Well No. 1-13, in the NW/4SE/4 Section 13,
Township 37 South, Range 24 East, San Juan County, Utah.

It is understood that this Designation of Agent does not
relieve the Unit Operator of responsibility for compliance with the
terms of the Unit Agreement and the Oil and Gas Operating
Regulations. It is also understood that this Designation of Agent
does not constitute an assignment of any interest under the Unit
Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the
Unit Operator will make full and prompt compliance with all
regulations, lease terms, or orders of the Secretary of the Interior
or his representative.

The Unit Operator agrees promptly to notify the Oil and Gas
Supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no
manner a permanent arrangement.

This designation is given only to enable the agent herein
designated to drill the above specified unit well. Unless sooner
terminated, this designation shall terminate when there is filed in
the appropriate district office of the U.S. ~~Geological Survey~~ *BLM*
completed file of all required Federal reports pertaining to the
subject well. It is also understood that this Designation of Agent
is limited to field operations and does not cover administrative
actions requiring specific authorization of the Unit Operator.

Raymond T. Duncan
Unit Operator

APPROVED - EFFECTIVE AUG 12 1987

Raymond T. Duncan
CHIEF, BRANCH OF FLUID MINERALS
BUREAU OF LAND MANAGEMENT

Raymond T. Duncan
Raymond T. Duncan
Date: 6-15-87

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

BRADFORD CANYON FEDERAL #1-13

2250' FSL and 1825' FEL

Section 13, T37S - R24E

San Juan County, Utah

RECEIVED

AUG 3 1987

**DIVISION OF OIL
GAS & MINING**

Prepared For:

SANTA FE ENERGY OPERATING PARTNERS, L.P.

By:

PERMITCO INC.

P.O. Box 44065

Denver, Colorado 80201-4065

303/322-7878

Copies Sent To:

- 4 - BLM - Moab, Utah
- 1 - BLM - Monticello, Utah
- 1 - Div. of Oil, Gas & Mining - SLC, Utah
- 3 - Santa Fe Energy Operating Partners, L.P. - Denver, CO



Permitco Incorporated
A Petroleum Permitting Company

ONSHORE ORDER NO.
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal 1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

1. The surface formation and estimated formation tops to be encountered are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Hermosa	4344'	+1075'
Upper Ismay	5444'	- 25'
Primary Pay Zone	5494'	- 75'
Lower Ismay	5649'	- 230'
Upper Desert Creek	5724'	- 305'
Lower Desert Creek	5769'	- 350'
Chimney Rock Shale	5819'	- 400'
Akah	5839'	- 420'
Salt	5854'	- 435'
T.D.	5860'	- 440'

2. The estimated depths at which oil, gas, water or other mineral bearing zones are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Oil/Gas	Ismay	5494'
Oil/Gas	Desert Creek	5724'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth cased and cemented. All oil and gas shows will be tested to determine commercial potential.

ONSHORE ORDER NO.
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal 1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

DRILLING PROGRAM

3. Pressure control equipment will consist of a 11", 3000# BOP. (See BOP Diagram attached.)

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. a. Casing

The proposed casing program is as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Conductor	0-220'	17-1/2"	13-3/8	48#	H-40	ST&C	New
Surface	0-2200'	12-1/4"	8-5/8"	24#	K-55	ST&C	New
Produc.	0-5850'	7-7/8"	5-1/2"	15.5#	K-55	ST&C	New

b. Cement

The cementing program will be as follows:

<u>Conductor</u> 0-220'	<u>Type and Amount</u> 230 sx Class "B" w/2% CaCl ₂ (100% excess to surface.)
<u>Surface</u>	<u>Type and Amount</u> 800 sx Lite w/2% CaCl ₂ plus 200 sx Class "B" w/2% CaCl ₂ or sufficient to circulate to surface.
<u>Production</u>	<u>Type and Amount</u> 200 sx Class "H" w/3% CaCl ₂ (30% excess, 1000' fill), or sufficient to cover zones of interest.

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Anticipated cement tops will be reported as to depth, not the expected number of sacks.

c. Auxiliary Equipment will be as follows:

1. Kelly cock.
2. Float above the bit.
3. A sub with a full opening valve will be on the floor when the kelly is not in use.
4. Monitoring of the system will be done visually.

5. Drilling fluid will be as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-2200'	Fresh Wtr/Gel/Lime	8.4-9.0	25-36	N/C	9.0
2200-4400'	Fresh Wtr/Gel/Lime	8.4-9.0	26-36	N/C	9.0
4400-T.D.	Fresh/Gel-Wtd. Disp.	9.0-12.5	36-60	6-10	9-11

6. Coring, logging and testing programs are as follows:

- a. No cores are anticipated.
- b. The logging program will consist of the following: A Dual Induction/GR and BHC Sonic will be run from base of 8-5/8" casing to T.D. A Neutron Density will be run from 4850' to T.D.
- c. Drill Stem Tests are possible in the Ismay at 5475' and the Desert Creek at 5725'.

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Sec. 13, T37S - R24E
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DRILLING PROGRAM

Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager.

7. Abnormal conditions, bottom hole pressures and potential hazards.
 - a. The maximum bottom hole pressure to be expected is 3800 psi.
 - b. Santa Fe Energy Operating Partners, L.P. plans to spud the Bradford Canyon Federal #1-13 immediately upon approval of this application and intends to complete the well immediately after the well had reached T.D.
 - c. The operator will contact the San Juan Resource Area at 801/587-2141, 48 hours prior to beginning any dirt work on this location.
 - d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.
 - e. The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours of spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

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DRILLING PROGRAM

- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the Moab BLM District Office, P. O. Box 970, Moab, Utah 84532.
- g. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.
- h. If a replacement rig is planned for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.
- i. If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five business days following the date on which the well is placed on production.
- j. No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager, within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.
- k. Final abandonment will not be approved until surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager or his representative, or the appropriate surface Manager.

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San Juan County, Utah

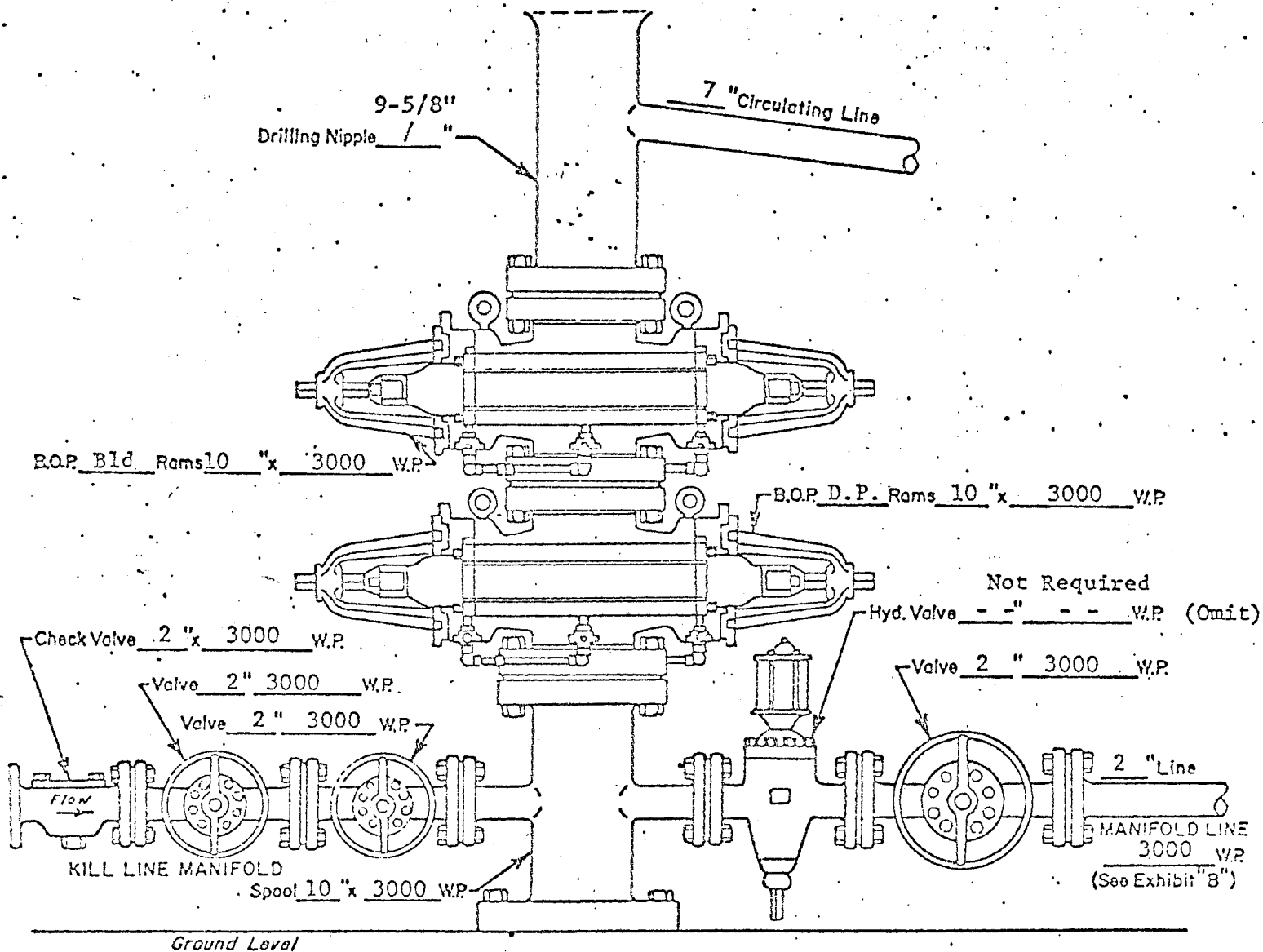
DRILLING PROGRAM

- l. . Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.
- m. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Federal Well number, location by 1/4 1/4 section, township and range, lease number.
- n. A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

COLEMAN DRILLING CO.

WELL NAME: _____

LOCATION : _____



WELL HEAD B.O.P.

3000 # W.P.

☒ Hydraulic

ONSHORE ORDER NO.
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal 1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located 28 miles southwest of Dove Creek, Colorado.
- b. Directions to the location from Dove Creek are as follows:

Go south on Rd. 7 for 1/10 mile to Road H. Turn west on Road H and proceed west and south along the Cedar Point Road for approximately 14.7 miles to a fork in the road. Turn right onto a two-track (County Class B road) and continue 6.0 miles to a fork in the road. This ends the Class B Road and begins the Class D road. Stay left and proceed 7.6 miles to the location.
- c. The roads in the area are primarily county roads. See Maps #1 and #2.
- d. Improvement to the existing access will be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. An encroachment permit will be obtained from the San Juan County Road Department, 801/587-2231, ext. 43.
- g. We are requesting that a R-O-W be issued for the lands crossed in T37S - R25E, Sections 5, 7, 8, 18. Enclosed is a check in the amount of \$280.00 to cover the cost of filing fees. See Map #1 for approximately alignment of roads crossing BLM lands.

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Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal 1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

SURFACE USE PLAN

2. Planned Access Roads

- a. No new access will be necessary. The Class B and D county roads will be flatbladed only where necessary to make the roads passable for the drilling rig and associated traffic. Roads crossing BLM lands will be upgraded to BLM standards if production is established.
- b. The maximum total disturbed width will be 30 feet.
- c. The grade will be 10% or less.
- d. No turnouts will be necessary. No culverts will be installed at this time. Drainage will be installed as needed.
- e. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.
- f. The access road will be water barred or brought to Class III Road Standards within 60 days of establishing commercial production. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.
- g. The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.
- h. Two existing cattleguards are in place along the county and BLM roads and will be maintained during all operations associated with this well.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.

- a. Water Wells - none
- b. Injection or disposal wells - none
- c. Producing Wells - none
- d. Drilling Wells - none



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Bradford Canyon Federal 1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

SURFACE USE PLAN

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be Juniper Green or Sandstone to match the environment.
- b. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.
- c. Production facilities for this well will be located on this wellpad. See Diagram #1 for layout of facilities. If facilities are moved from the wellpad, a Sundry Notice will be submitted and approved prior to constructing any facilities.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Any necessary pits will be properly fenced to prevent any wildlife entry. The production pit will be flagged overhead.
- f. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- g. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- h. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

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SURFACE USE PLAN

7. Methods for Handling Waste Disposal (cont.)

- a. The reserve pit will be lined with native clay sufficient to prevent seepage. At least half of the capacity will be in cut.
- b. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
- c. A trash pit will be constructed near the mud tanks and dug at least six feet into solid, undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free. If a trash cage is used, its contents will be hauled to an approved landfill.
- d. A burning permit is required for burning trash between May 1 and October 31. This will be obtained from the San Juan County Sheriff at (801) 587-2237 if operations should extend past May 1st.
- e. Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. During the 90-day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities

- a. There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. See Diagram #2 for rig layout. See Diagram #3 for cross section of drill pad. See Diagram #4 for cuts and fills.


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Bradford Canyon Federal 1-13
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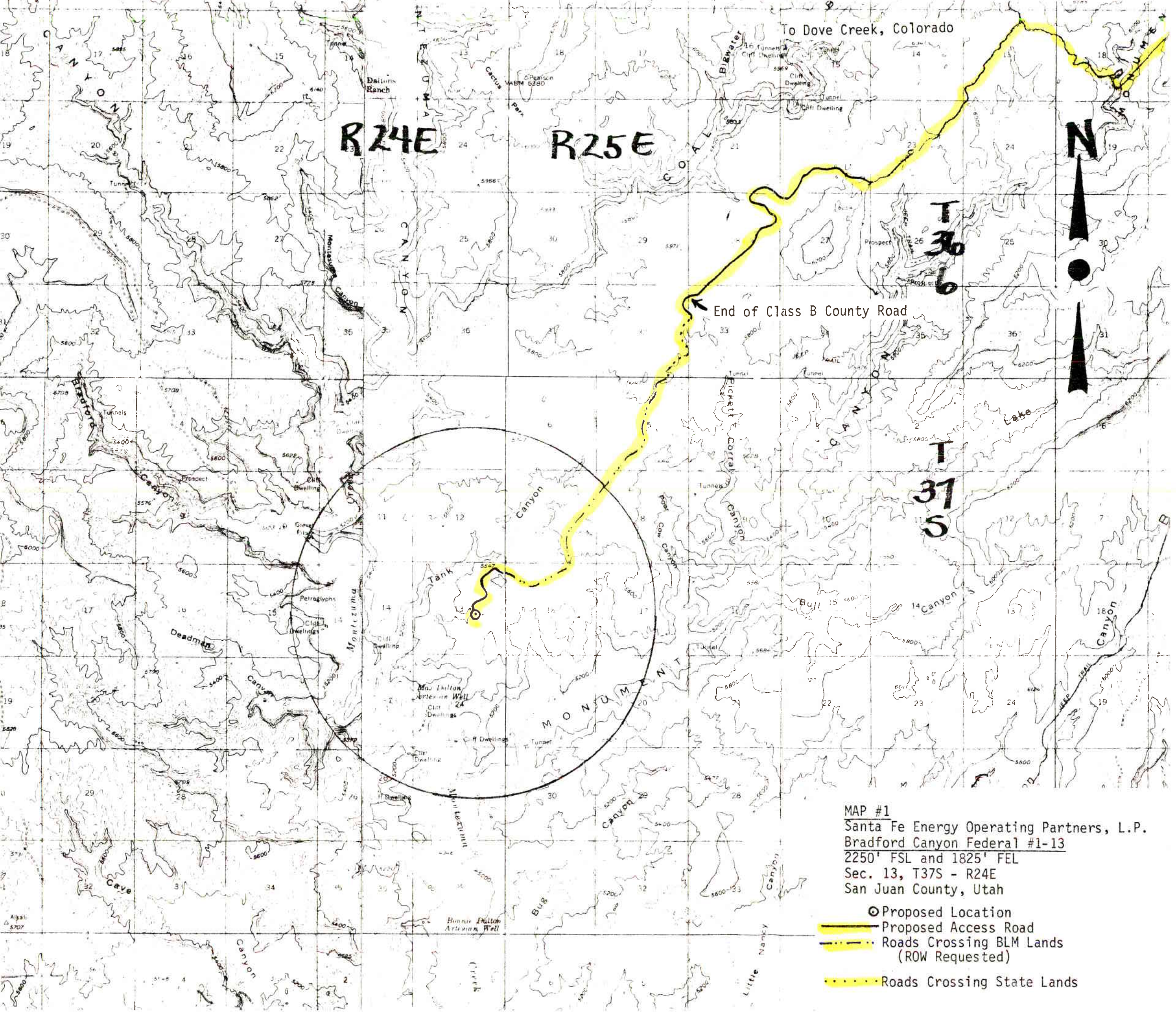
SURFACE USE PLAN

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Santa Fe Energy Operating Partners, L.P. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

July 30, 1987
Date:


Lisa L. Green - PERMITCO INC.
Authorized Agent for:
SANTA FE ENERGY OPERATING PARTNERS, L.P.



To Dove Creek, Colorado

R24E

R25E

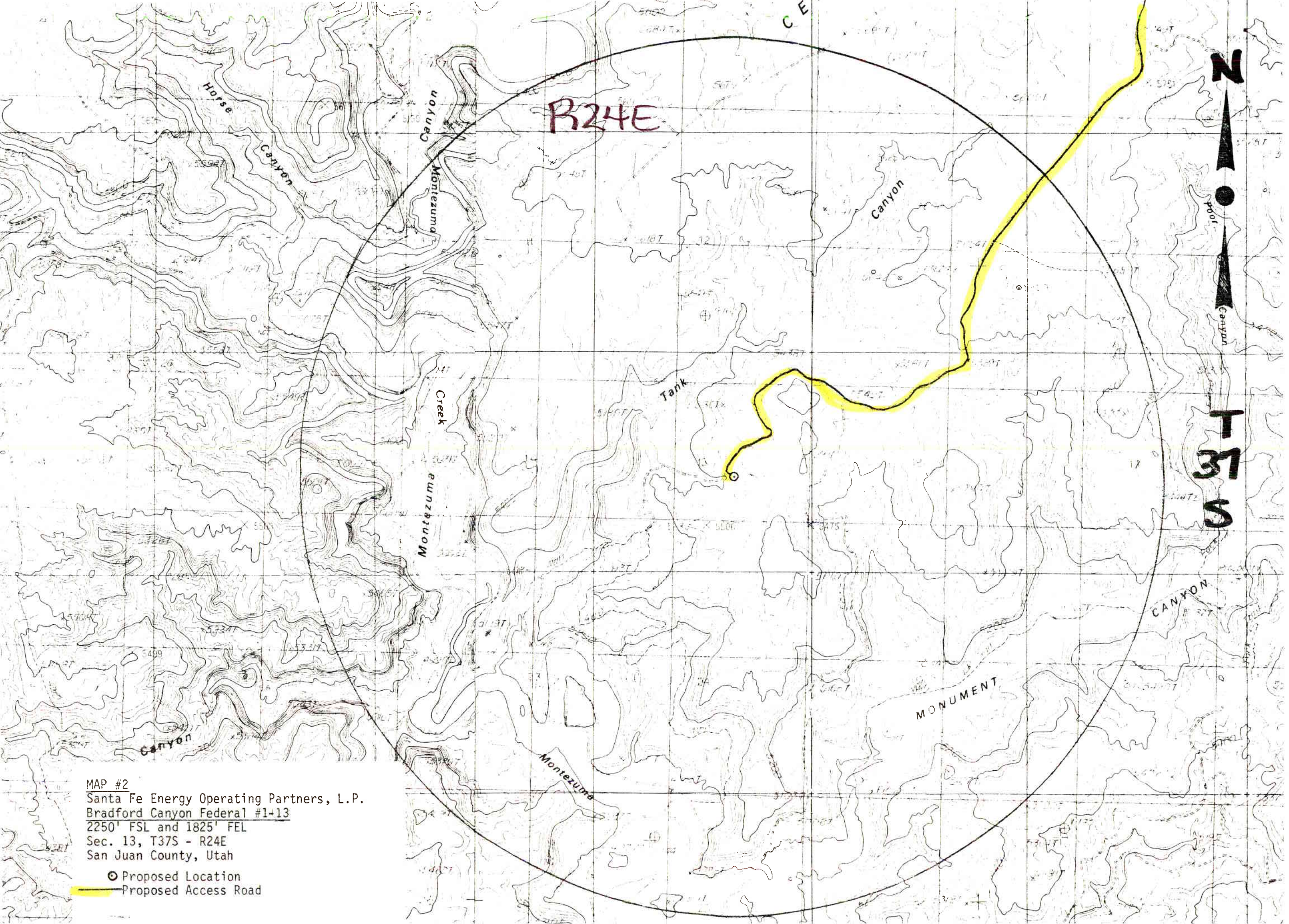
T36S

T37S

End of Class B County Road

MAP #1
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal #1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

- Proposed Location
- Proposed Access Road
- Roads Crossing BLM Lands (ROW Requested)
- Roads Crossing State Lands



MAP #2
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal #1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

○ Proposed Location
— Proposed Access Road

Scale: 1" = 60'

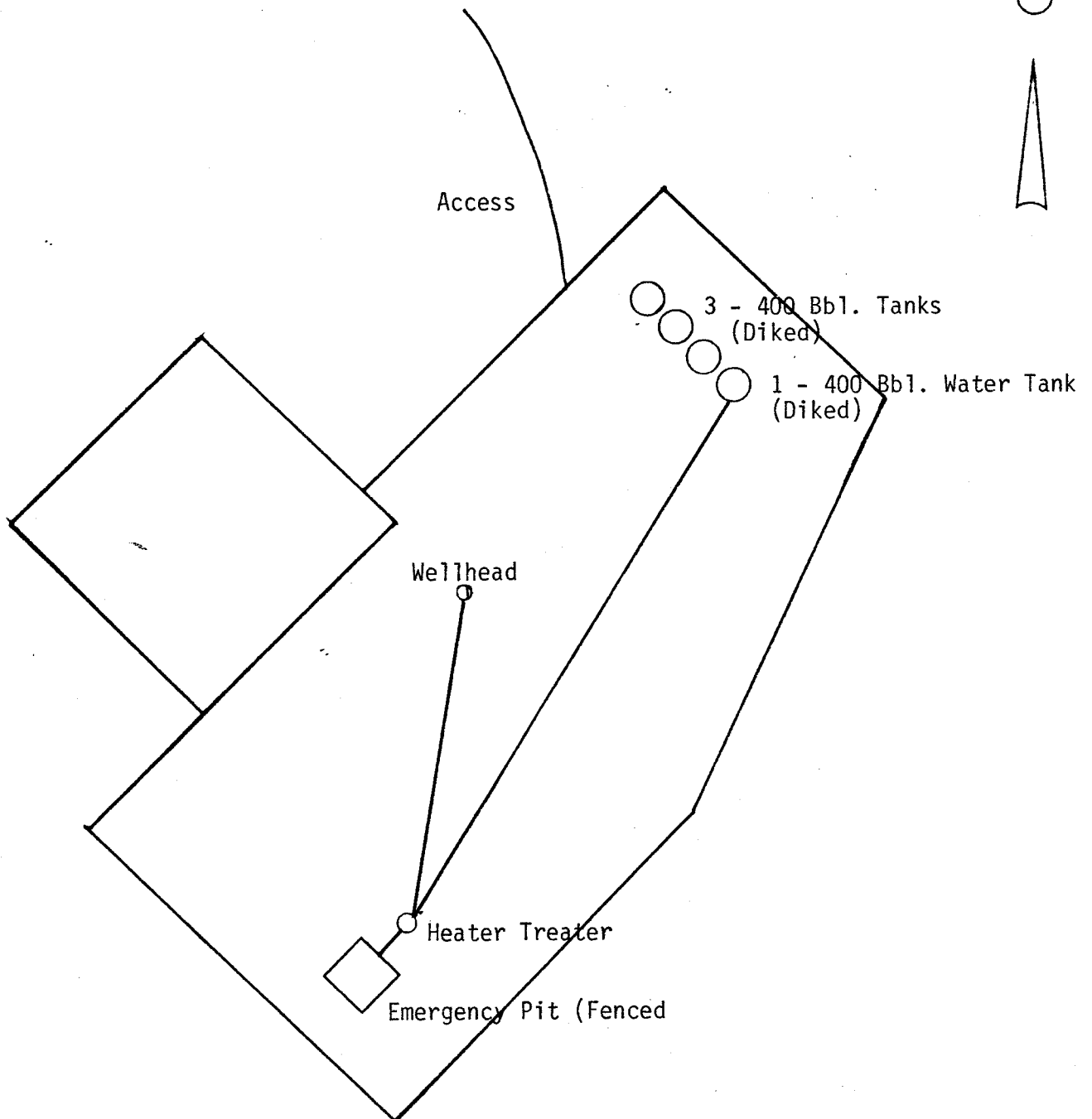


DIAGRAM #1

Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal #1-13
2250' FSL and 1825' FEL
Sec. 13, T37-R24E
San Juan County, Utah

Scale: 1" = 60'

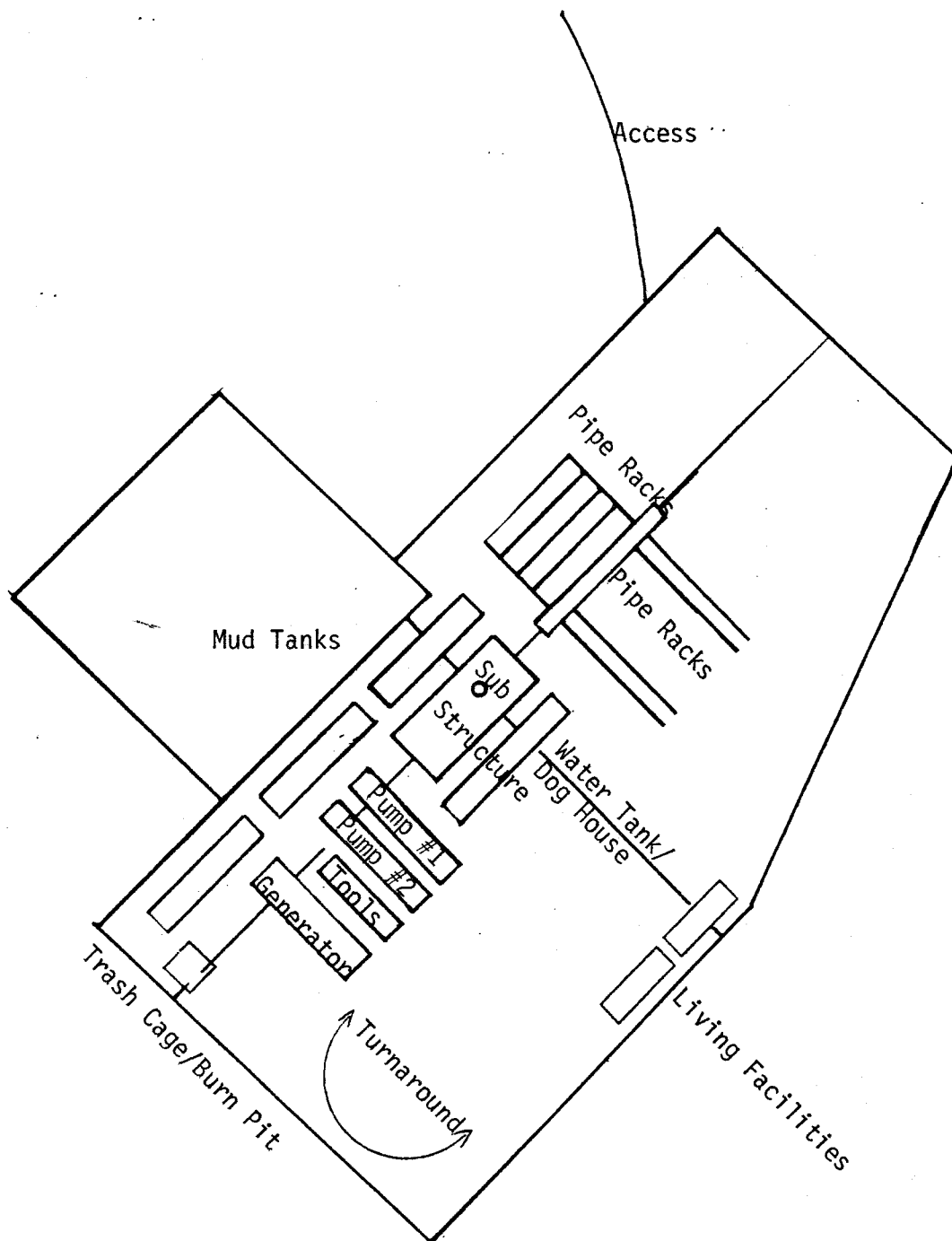




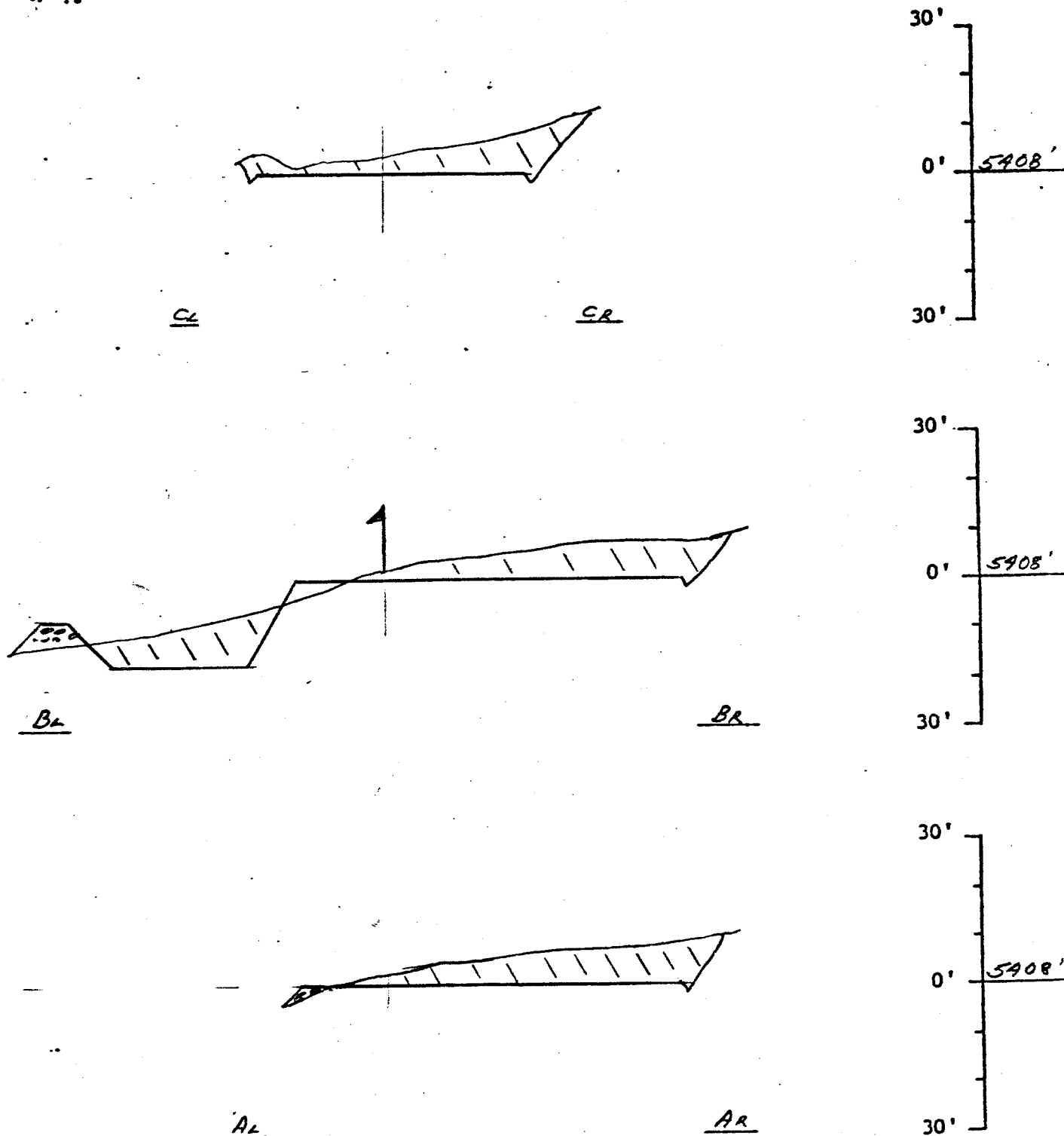
DIAGRAM #2 - Rig Layout
Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal #1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

WELL PAD CROSS-SECTION

1-13

Cut 
Fill 

Scales: 1" = 60' H.
1" = 30' V.

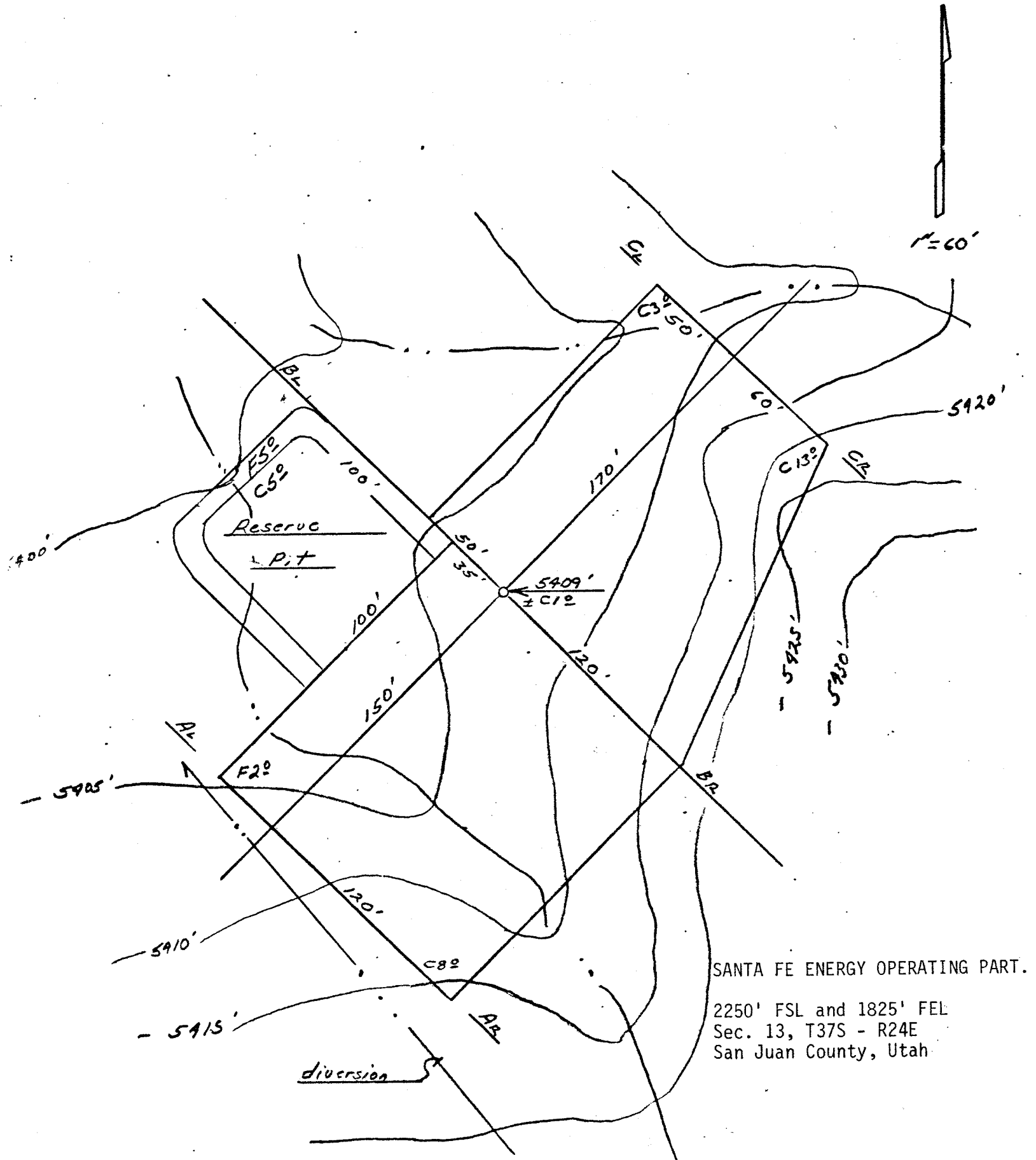


SANTA FE ENERGY OPERATING PARTNERS, L.P.

2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

WELL PAD PLAN VIEW

Well # 1-13



DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Geological Survey Unit Operator under the Bradford Canyon Unit Agreement, San Juan County, Utah, No. 14-08-0001-20400 approved July 27, 1982 and hereby designated:

NAME: Santa Fe Energy Operating Partners, L.P.
ADDRESS: 1616 Glenarm Place, Suite 2600
Denver, Colorado 80202

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit Well No. 1-13, in the NW/4SE/4 Section 13, Township 37 South, Range 24 East, San Juan County, Utah.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The Unit Operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate district office of the U.S. Geological Survey a completed file of all required Federal reports pertaining to the subject well. It is also understood that this Designation of Agent is limited to field operations and does not cover administrative actions requiring specific authorization of the Unit Operator.

Raymond T. Duncan
Unit Operator


Raymond T. Duncan
Date: 6-15-87



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 17, 1987

Santa Fe Energy Operating Partners, L. P.
c/o Permitco Incorporated
P. O. Box 44065
Denver, Colorado 80201-4065

Gentlemen:

Re: Bradford Canyon Unit 1-13 - NW SE Sec. 13, T. 37S, R. 24E
2250' FSL, 1825' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Summittal of an Entity Action Form to the Division within five working days of the time that the well is spudded or a change in operations or interests necessitates a change in entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.

Page 2

Santa Fe Energy Operating Partners, L. P.

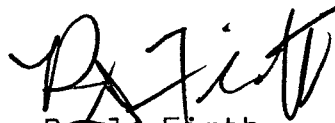
Bradford Canyon Unit 1-13

August 17, 1987

5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31338.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals

D. R. Nielson

8159T



file
RECEIVED

030707

AUG 17 1987

WATER RIGHTS
PRICE

August 13, 1987

REC

AUG 20 1987

Utah Division of Water Rights
P.O. Box 718
Price, Utah 84501

DIVISION OF OIL
GAS & MINING

Attn: Mark Page

PA

43-037-31338

Re: Santa Fe Energy Operating Partners, L.P.
Bradford Canyon Federal #1-13
2250' FSL and 1825' FEL
Sec. 13, T37S - R24E
San Juan County, Utah

Dear Mark:

This letter is to inform you that Santa Fe Energy Operating Partners, L.P. proposes to drill a well at this above mentioned location. Santa Fe plans to obtain water from Mr. Oscar Semadeni from his water source located South 260', West 975' from the N1/4 Corner of Section 29, T35S - R26E, San Juan County, Utah. Permit # 60626-09-1406.

We plan to use 3 acre feet of water, however, we will keep track of our useage and let you know the actual amount.

If you should need additional information, please feel free to contact me.

Sincerely,

PERMITCO INC.

Consultant for
Santa Fe Energy Operating Partners, L.P.

cc: Santa Fe
Don Murphy

Permitco Incorporated
A Petroleum Permitting Company

P.O. Box 44065
Denver, Colorado 80201-4065
(303) 322-7878

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR 303/825-5101 1616 Glenarm Pl. #2600

Santa Fe Energy Operating Partners, L.P. Denver, CO 80202

3. ADDRESS OF OPERATOR 303/322-7878 P.O. Box 44065

Permito Inc. - Agent Denver, CO 80201-4065

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2250' FSL and 1825' FEL

At proposed prod. zone

NW SE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles southeast of Blanding, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

390'

16. NO. OF ACRES IN LEASE

2240

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

none

19. PROPOSED DEPTH

5850'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5414' GR

22. APPROX. DATE WORK WILL START*

Immediately upon approval
of this application.

23. PROPOSED CASING AND CEMENTING PROGRAM

5. LEASE DESIGNATION AND SERIAL NO.

U-12414

6. IF INDIAN ALLOTTEE OR TRIBE NAME

N/A 082412

7. UNIT AGREEMENT NAME

Bradford Canyon

8. FARM OR LEASE NAME

9. WELL NO.

#1-13

10. FIELD AND POOL, OR WILDCAT

Bradford Canyon

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 13, T37S- R24E

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Gina G. Miller

TITLE

Consultant for

Santa Fe Energy Operating Partners, L.P. 7/30/87

(This space for Federal or State office use)

PERMIT NO.

43-037-31338

APPROVAL DATE

Acting

DISTRICT MANAGER

AUG 17 1987

APPROVED BY

/s/ Kenneth V. Rhea

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

Division of Oil, Gas & Mining, SLC, UT

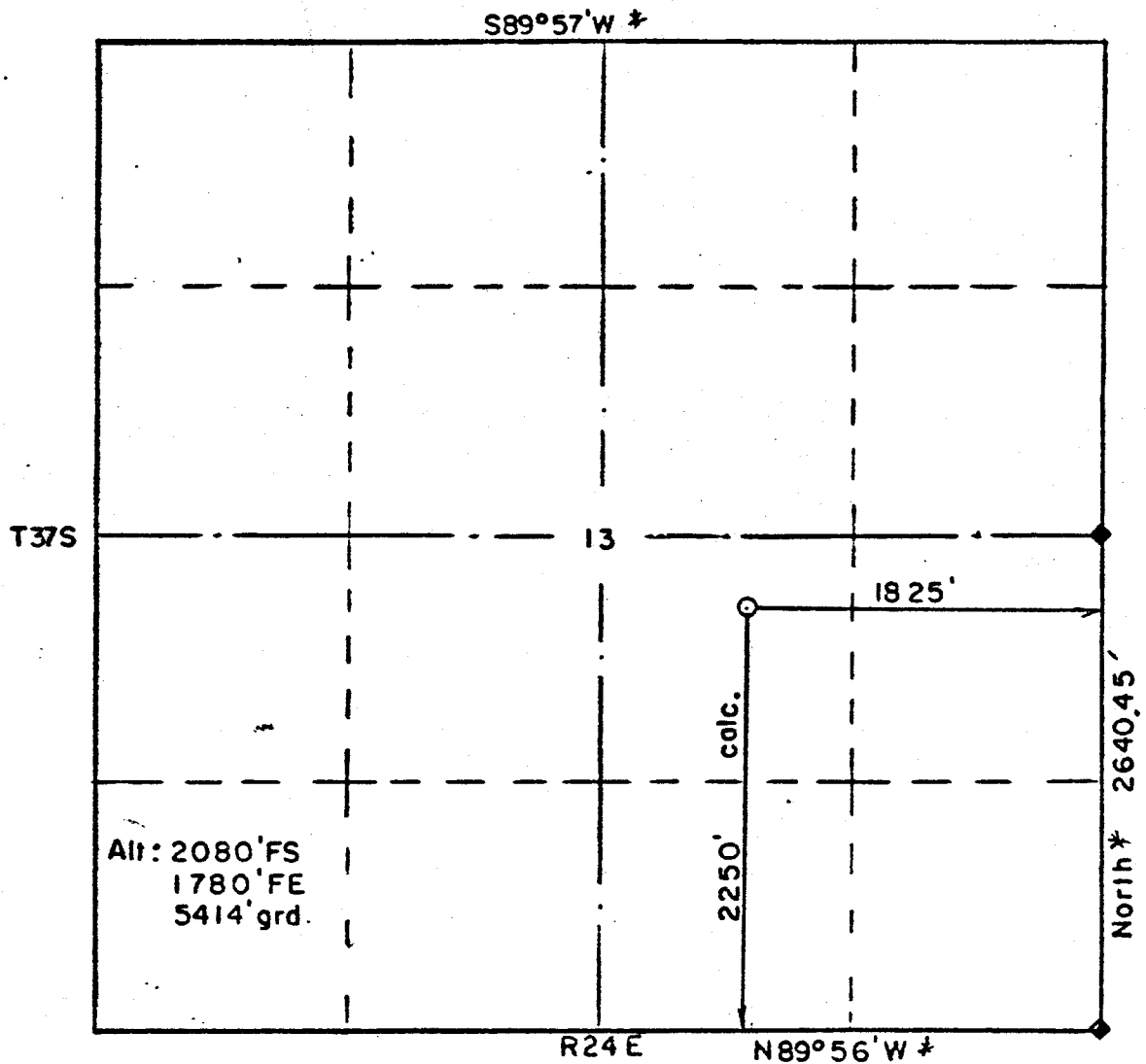
SUBJECT TO RIGHT OF WAY

*See Instructions On Reverse Side

APPROVAL

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'

◆ Brass co

* GLO

Operator Santa Fe Energy		Well name Bradford Canyon Fed. 1-13	
Section 13	Township 37 South	Range 24 East	Meridian SLM
Footages 2250' FS & 1925' FE		County/State San Juan UT	Elevation 5409'
Formation	Dedicated Acreage	Requested by Permitco	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p style="text-align: center;"> Gerald S. Middleston, L.S. </p> <p style="text-align: right;">7-22-'87</p>			

Santa Fe Energy Operating Partners, L.P.
Well No. Bradford Canyon Unit 1-13
Sec. 13, T. 37 S., R. 24 E.
San Juan County, Utah
Lease U-12414

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Santa Fe Energy Operating Partners, L.P. is the bonded entity on this application. Liability will remain with the bonded party named above until we are formally notified by letter of the new bonded entity in reference to this application for permit to drill.

A. DRILLING PROGRAM

BOP's will be pressure tested to at least 1500 psi.

Surface casing will be pressure tested to at least 1000 psi before drilling out from surface casing shoe.

Notify Mike Wade with the San Juan Resource Area Office at (801) 587-2141 or (801) 587-2026 at least 24 hours prior to cementing the 8-5/8" casing.

082708

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-037-31338

NAME OF COMPANY: SANTA FE ENERGY

WELL NAME: BRADFORD CANYON 1-13

SECTION NE NW 13 TOWNSHIP 37S RANGE 24E COUNTY SAN JUAN

DRILLING CONTRACTOR Exeter

RIG # 68

SPUDDED: DATE 8-23-87

TIME 10:30 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Don Murphy

TELEPHONE # 587-2266 ext 215

DATE 8-24-87 SIGNED SBH

082705

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-12414 <i>Duly</i>	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR 1616 Glenarm Place, #2600, Denver, CO 80202		7. UNIT AGREEMENT NAME Bradford Canyon	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2250' FSL and 1825' FEL		8. FARM OR LEASE NAME Federal	
14. PERMIT NO. 43-037-31338		9. WELL NO. #1-13	
15. ELEVATIONS (Show whether OF, RT, OR, etc.) 5414 G.L.		10. FIELD AND POOL, OR WILDCAT Undesignated	
		11. SEC., T., R., E., OR S.E., AND SURVEY OR AREA Sec. 13-T37S-R24E	
		12. COUNTY OR PARISH San Juan	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐(Other) ☐PULL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☐CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐(Other) spud ☐REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☐(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. Move in and rig up Exeter Rig #68. Spudded 9-7/8" hole at 10:30 p.m. 8/23/87

18. I hereby certify that the foregoing is true and correct

SIGNED W. S. M. M. M.TITLE District Prod. Mgr.DATE 8/24/87

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other
instructions
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other _____

1b. TYPE OF COMPLETION:

NEW WELL ☐ WORK OVER ☐ DEEP EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other P & A

2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P.

3. ADDRESS OF OPERATOR

1616 Glenarm Place, Suite 2600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 2250' FSL & 1825 FEL

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO.

DATE ISSUED

43-037-31338

8-17-87

12. COUNTY OR PARISH

13. STATE

San Juan

Utah

15. DATE SPUDDED

16. DATE T.D. REACHED

17. DATE COMPL. (Ready to prod.)

18. ELEVATIONS (DF, RKR, RT, GR, ETC.)*

19. ELEV. CASINGHEAD

8-23-87

9-9-87

9-12-87 P&A

5421' KB

5409' GL

20. TOTAL DEPTH, MD & TVD

21. PLUG BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

5764'

Surface

0-5764'

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

25. WAS DIRECTIONAL SURVEY MADE

3/4° @ T.D.

26. TYPE ELECTRIC AND OTHER LOGS RUN

DLL-MSFL; Neutron Density; Sonic; GR

27. WAS WELL CORED

No

28.

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48	222	17-1/2"	230 sacks	-0-
8-5/8"	24	2200	11"	800 sacks	-0-

29.

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.*

PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
DATE OF TEST	HOURS TESTED	CHOKE SIZE
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

W. G. Markley

TITLE District Production Manager DATE 9-21-87

*(See Instructions and Spaces for Additional Data on Reverse Side)

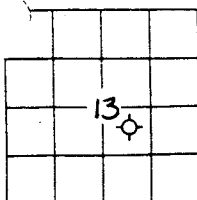
Title 16 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INDIVIDUAL WELL RECORD

Sec. 13
T. 37 S.
R. 24 E.
SLB& Mer.
Ref. No. _____

Date Septebmer 21, 1987



FEDERAL

Lease No. 12414 State Utah
County San Juan
Lessee MCOR Oil and Gas Corp. 25%; etal Field wildcat
Operator Santa Fe Energy Operating Partners L.P. Unit/CA Bradford Canyon
Well Name & No. Bradford Canyon Federal 1-13 District Moab
A.P.I. Well No. 43-037-31338 Subdivision NWSE
Location 2250' FSL and 1825' FEL

Date Drilling Approved August 17, 1987 Well Elevation 5414 GR Feet
Date Drilling Commenced August 23, 1987 Total Depth 5764; PB Surface Feet
Date Drilling Ceased September 9, 1987 Initial Production Dry
Oral to Abandon September 11, 1987 Gravity A.P.I. _____
Date Completed For Production _____ Initial Reservoir Pressure _____
Date Abandonment Approved (Final) February 2, 1989

FAN Approved May 21, 1991

GEOLOGIC FORMATIONS

PRODUCTIVE HORIZONS

SURFACE	LOWEST TESTED	NAME	DEPTHS	CONTENTS
<u>Morrison</u>	<u>Akah</u>			
SURFACE MANAGEMENT AGENCY	<u>BLM</u>			
MINERAL OWNERSHIP	<u>BLM</u>			
LEASE EXPIRATION	<u>8/31/80</u>			

WELL STATUS

YEAR	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1987								SPUD	SRA rec'd. Oral to abn			
1989		SRA Apprvd 2/2/89										
1991					FAN approved							

First Production Memorandum Bradford Canyon Lease Extension Memorandum 3/30/83 Confirmation _____

Remarks Unit 7/8/82
Lease extended to 6/8/90

RECEIVED

SEP 24 1987

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

DIVISION OF OIL
GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number Bradford Canyon Federal #1-13
Operator Santa Fe Energy Operating Partners Address 1616 Glenarm Pl, Suite 2600
L.P. Denver, CO 80202
Contractor Exeter Drilling Company Address 1670 Broadway, Suite 3400
Denver, CO 80217
Location NW 1/4 SE 1/4 Sec. 13 T. 37S R. 24E County San Juan

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1.	<u>Did not encounter water to surface.</u>		
2.	<u></u>		
3.	<u></u>		
4.	<u></u>		
5.	<u></u>		

(Continue on reverse side if necessary)

Formation Tops Hermosa 4450'
Ismay 5434'
Hoverweep 5534'
Remarks Desert Creek 5656'
Akah 5747'

NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.

(b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> P&A		5. LEASE DESIGNATION AND SERIAL NO. U-12414 <i>Duly</i>	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 092509	
3. ADDRESS OF OPERATOR 1616 Glenarm Place, Suite 2600, Denver, CO 80202		7. UNIT AGREEMENT NAME Bradford Canyon	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2250' FSL & 1825' FEL		8. FARM OR LEASE NAME Bradford Canyon Federal	
14. PERMIT NO. 43-037-31338 <i>pts</i>		9. WELL NO. #1-13	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5421' KB		10. FIELD AND POOL, OR WILDCAT Wildcat	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 13-T37S-R24E	
		12. COUNTY OR PARISH San Juan	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐(Other) ☐PULL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☐CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐(Other) ☐REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☒

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Plugged & Abandoned 9-12-87 as per John Baza as follows:

- #1 100 sacks 5750-5350' (400') Covering Ismay & Desert Creek.
Waited 4 hrs & tagged cement top @ 5350'
- #2 50 sacks 2225-2000' (225') Across 8-5/8" casing shoe.
- #3 50 sacks 180'-surface (180') Surface plug.

Installed dry hole marker as per BLM requirements.

Surface restoration is on hole pending drying of the reserve pit.

RECEIVED

SEP 24 1987

DIVISION OF OIL
& MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

W. G. Markley

TITLE District Production Manager

DATE 9-21-87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

COMPANY: SANTA FE ENERGY UT ACCOUNT # 10830 SUSPENSE DATE: 4-12-88

WELL NAME: BRADFORD CYN 1-13

API #: 43 037 31338

SEC, TWP, RNG: 13 37S 24E

TELEPHONE CONTACT DOCUMENTATION

CONTACT NAME: BRENDA LITTAU

CONTACT TELEPHONE NO.: 806-359-2238

806-898-4111

MR. MARKLEY
303-825-5101

MIKE BILLI
918-582-6944

SUBJECT: NEED LOGS

PLL-MSFL

NEUTRON DENSITY

SONIC

GR

(Use attachments if necessary)

RESULTS: 3-28-88 3:45 CALL TOMORROW - MIKE BILLI

3-28-88 11:20 MIKE WILL CALL BACK

3-29-88 11:45 MIKE WILL GET MESSAGE TO SOMEONE TO

GET US COPIES OF THE LOGS.

(Use attachments if necessary)

CONTACTED BY: VC

DATE: 3-29-88

COMPANY: Santa Fe Energy (SFEOP) UT ACCOUNT # N0815 SUSPENSE DATE: 3-11-88

WELL NAME: Bradford Cyn. Unit 1-13

API #: 43-037-31338

SEC, TWP, RNG: 37S 24E Sec. 13

TELEPHONE CONTACT DOCUMENTATION

CONTACT NAME: ~~Vance Pow~~ Jack Douthit

CONTACT TELEPHONE NO.: ~~8063592340~~ 8063592335

SUBJECT: (WCR)

Well was P&A'd 9/12/87 no WCR has been received.

(Use attachments if necessary)

RESULTS: They will send WCR asap

WCR rec'd 3-16-88. CALLED MIKE

HE MAY WAIT FOR LOSS TO

COME IN BEFORE HE COMES IN

TO LOOK AT WCR

When rec'd call

Mike Rinnell

942-1709

(Use attachments if necessary)

CONTACTED BY: J. Romero

DATE: 3/11/88

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Speerex Ltd. Partnership

(505) 622-9815

3. ADDRESS OF OPERATOR

P.O. Box 266, Roswell, NM 88202-0266

4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations.)

At surface

2250' FSL & 1825' FEL (NWS)

At proposed prod. zone

460' FNL & 460' FWL (NWNW)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

23 air miles SW of Dove Creek, Co.

DIVISION OF

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

460'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

16. NO. OF ACRES ASSIGNED TO THIS WELL

1,920

19. PROPOSED DEPTH

5,530' TVD

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,409' ungraded ground

22. APPROX. DATE WORK WILL START*

August 1, 1992

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48* (H-40)	222'	~230 sx and to surface
11"	8-5/8"	24* (K-55)	2,200'	~800 sx and to surface
7-7/8"	4-1/2"	11.6* (K-55)	9,000'	~300 sx and 500' up intermed. casing

Will re-enter Santa Fe Energy's Bradford Canyon 1-13 (43-037-31338) which was drilled and plugged in 1987. Will **drill a horizontal well**. Existing wellbore profile and proposed wellbore plan view and profile are at end of APD.

Santa Fe (Rex Wedgeworth) has verbally agreed to assign road right-of-way grant U-62020 to Speerex. This APD is serving as the assignment application. A \$50 check for the assignment fee along with Santa Fe's assignment letter will be forwarded under separate cover when received from Santa Fe. The right-of-way crosses Sections 5, 7, 8, & 18; T. 37 S., R. 25 E. It is 16,500' long and 30' wide and is shown on PAGE 18.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any.

24.

SIGNED

Brian Wood

Consultant

TITLE

6-20-92

DATE

(This space for Federal or State office use)

PERMIT NO.

43-037-31338

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

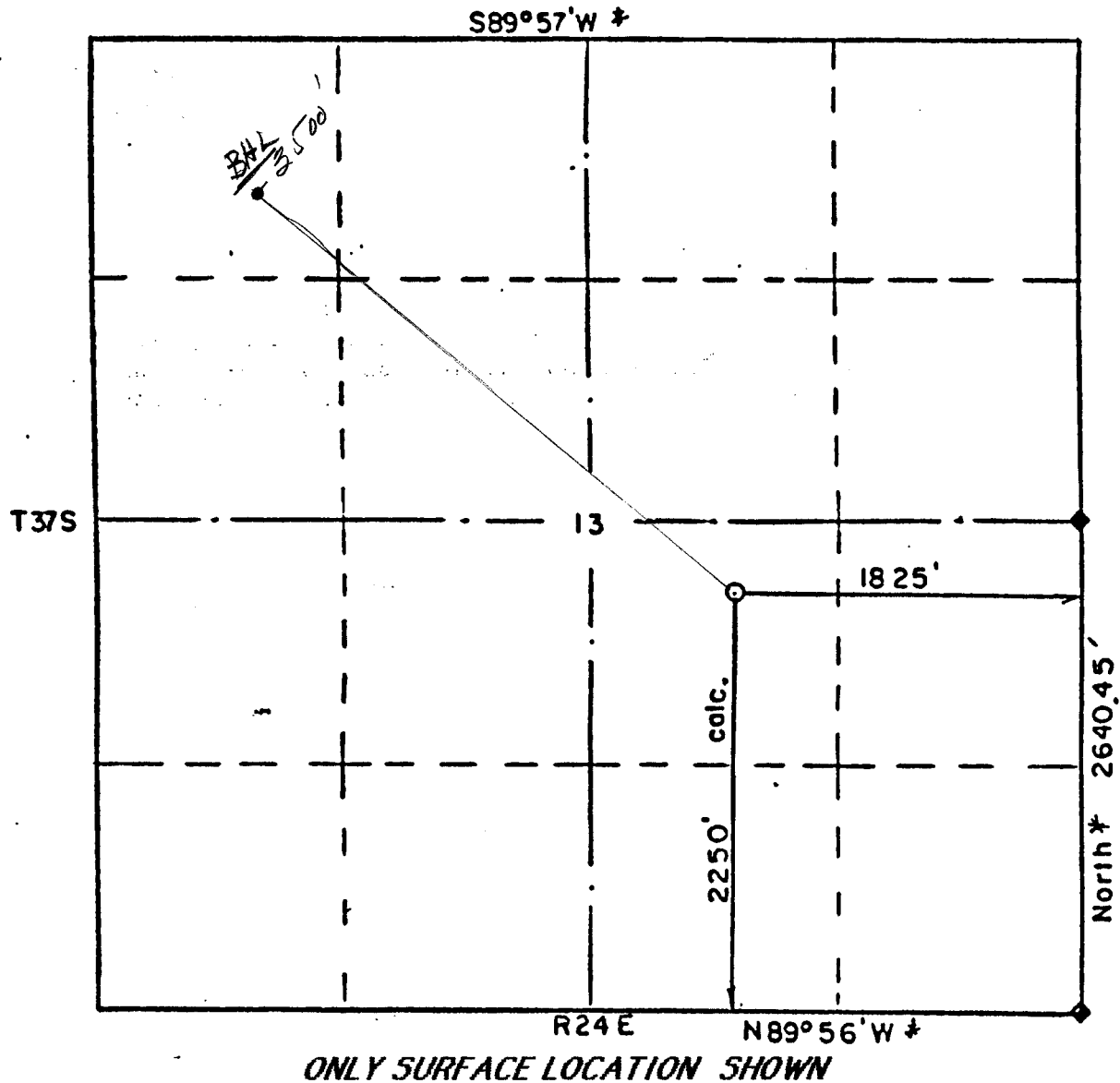
DATE:

BY:

WELL SPACING: 649-3-3

*Se

WELL LOCATION AND ACREAGE DEDICATION PLAT



Operator SPEEREX LTD. PARTNERSHIP		Well name BLUE MT. #1	
Section 13	Township 37 South	Range 24 East	Meridian SLM
Footages 2250' FS S 1925' FE		County/State San Juan UT	Elevation 5409'
Formation	Dedicated Acreage	Requested by	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p>FORMERLY SANTA FE ENERGY'S BRADFORD CANYON 1-13</p> <p style="text-align: center;"> </p> <p style="text-align: right;">7-22-'87</p>			

**Speerex Ltd. Partnership
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PAGE 1

All lease operations will fully comply with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Speerex Ltd. Partnership will furnish a copy of these conditions to its field representative to assure compliance.

Drilling Program

1. ESTIMATED FORMATION TOPS*

<u>Formation Name</u>	<u>Depth from GL</u>	<u>Depth from KB</u>	<u>Subsea Depth</u>
Morrison	0'	12'	+5,409'
Shinarump	2,268'	2,280'	+3,141'
Cutler	2,452'	2,464'	+2,957'
Hermosa	4,450'	4,462'	+ 959'
Paradox	5,266'	5,278'	+ 143'
Upper Ismay	5,434'	5,446'	- 25'
Base of Upper Ismay	5,530'	5,542'	- 121'
Total Depth (TD)	5,530'	5,542'	- 121'

* All depths are true vertical and are based on a ground level of 5,409'.

2. NOTABLE ZONES

Primary objective is the Upper Ismay - the only possible oil or gas zone. Potential water zones (Entrada, Navajo, Wingate) are already cemented off behind casing. Santa Fe found no water to surface. Uranium could be found in the Morrison or Chinle zones, both of which are cemented off behind casing. Oil and gas shows, as determined by the wellsite geologist, will be tested.

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3. PRESSURE CONTROL (Also see "5." on PAGE 4)

Will weld on new 8-5/8" 3000 psi SOW casing head. An 11" x 3,000 psi double ram BOP with 3,000 psi choke manifold will be used. (A typical 3,000 psi BOP is on Page 3. The actual model will not be known until the bid is let.) Pressure test casing head and BOP to 3,000 psi with independent tester. A remote operated hydraulic choke system will not be installed until and unless drilling conditions require. Manifold should accommodate hydraulic choke if needed.

Drill out surface plug (0' - 180'). Circulate with fresh water. TIH to plug inside 8-5/8" casing at 2,000'. Pressure test casing under pipe rams to 1,500 psi for 30 minutes. Drill out Plug #2 (2,000' - 2,250') using fresh water. Clean out open hole to Plug #3 at 5,350'. Displace water and old mud with KCl/polymer system (8.8 ppg). Circulate until hole is stable.

Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or abandoned. BOPs will be inspected and operated at least daily to assure good mechanical working order. All BOP mechanical tests, pressure tests, and inspections will be recorded on the drillers log or daily drilling report.

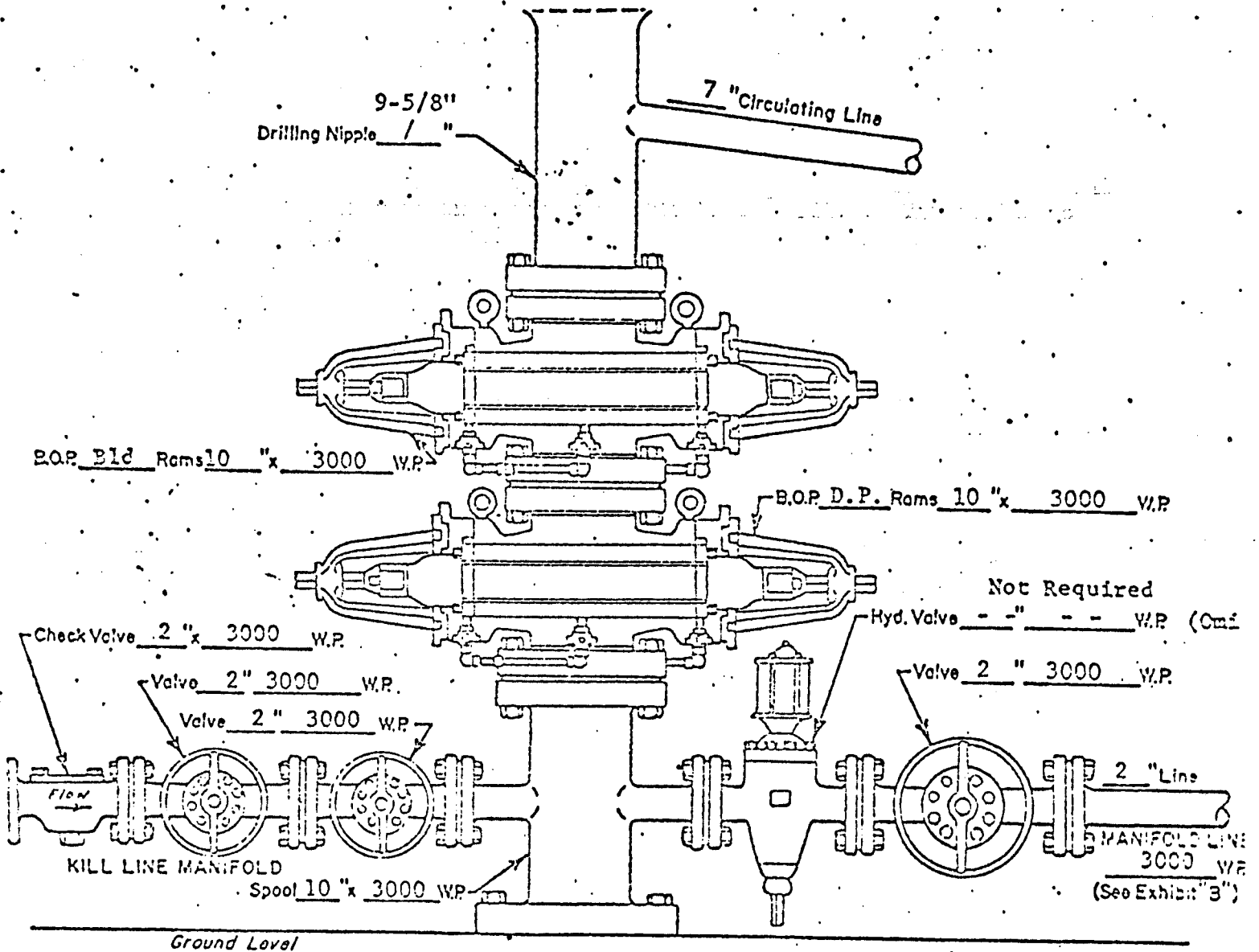
4. CASING & CEMENTING

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth (GL)</u>
17-1/2"*	13-3/8"	48#	H-40	ST&C	New	0' - 222'
11"*	8-5/8"	24#	K-55	ST&C	New	0' - 2,200'
7-7/8"	4-1/2"	11.6#	K-55	ST&C	New	0' - 9,000'

*already set and cemented

WELL NAME: BLUE MT. #1
 LOCATION : 2250' FSL & 1825' FEL
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WELL HEAD B.O.P.
 3000 W.P.

☒ Hydraulic

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Surface Casing (0' to 222') was cemented to surface with 230 sx Class B with 2% CaCl_2 .

Intermediate Casing (0' to 2,200') was cemented to surface with 800 sx "Lite" with 2% CaCl_2 .

If the well is determined to be productive, then plan to install 4-1/2" pre-perforated production casing. About $\approx 25\%$ of the string run in the lateral hole will be pre-perforated at a machine shop before delivery. An inflatable packer (10' CTC or equivalent) will be placed at the top of the curve (KOP is $\approx 4,900'$) with a HOS cementer installed above the inflatable packer. Hang casing in full tension. Cement from the HOS cementer to 500' inside the intermediate casing with 300 sx Premium cement followed by 65:35 Poz slurry.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>pH</u>
0'-5,350'	Fresh water	8.4-8.8	25-30	N/C	9.0

Set filler plug 50:50 Poz slurry from 5,350' to 5,100'. Set cement kick off plug from 5,100' to 4,500'. Run pilot tests on proposed slurries with available water to determine setting and strength properties before cementing. Then displace fresh water and old mud with KCl/polymer system (8.8 ppg, 3-5% KCl, 31 vis., 10-15 WL, 9-10 pH). No oil will be added to mud. Mud system will require a linear motion shaker and centrifuge.

6. CORING, TESTING, & LOGGING

With the exception of mud logging, no coring, testing, and logging are planned.

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Mud logger will be rigged up and on line before drilling new formation.

Whether the well is completed as a dry hole or producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations *per* 43 CFR 3162.4-1(b). Two copies of all logs, core descriptions & analyses, test data, geologic summaries, sample descriptions, and all other data obtained during drilling, workover, and/or completion operations, will be filed with Form 3160-4. (If requested, sample cuttings, fluids, and/or gases will be submitted to the District Manager.)

7. DOWNHOLE CONDITIONS

The maximum anticipated bottom hole pressure is $\approx 2,300$ psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

8. MISCELLANEOUS

Well will be horizontal. See last 3 pages of APD for existing wellbore profile and plan views and profiles of proposed wellbore.

After drilling out existing vertical wellbore, will TIH open ended to $\approx 5,350'$. Set filler plug (50:50 Poz slurry) from $\approx 5,350'$ to $\approx 5,100'$. Set cement kick off plug $\approx 5,100'$ to $\approx 4,500'$. Run pilot tests on proposed slurries to determine setting and strength properties before cementing. WOC 48 hours or as determined by pilot tests.

PU mill tooth bit and dress off plug to $\approx 4,825'$. PU kick off assembly and 7-7/8" insert bit. Kick off cement plug (KOP $\approx 4,900'$). Drill 7-7/8" curve,

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building at $\approx 15^\circ/100'$. Attain 88.5° by TVD of 5,456'. Directional parameters will be calculated on location according to KOP and well bore conditions.

Drill lateral hole at 87.5° . Practical lateral extent will be $\approx 3,500'$. Drilling may continue past this point as far as operationally feasible, depending on wellbore and drill stem conditions and capabilities, up to the legal limits of the section. Spiral Heviwate drill pipe (5" OD) will be used above the motor and MWD assemblies in the horizontal part of the hole. Drill string weight will be applied by placing Heviwate drill pipe and drill collars in the vertical part of the hole.

Would complete with 2-3/8" tubing and 3-5/8" bit. Drill out HOS cementer and cement. Clean out to TD. Circulate with fresh water. Stimulate lateral section with 28% HCl. Initial plans are to TIH with tubing open ended and load the entire lateral section with acid. After loading, POOH to the top of the curve and close the tubing rams. Pump acid into the formation.

The anticipated spud date is August 1, 1992. It is expected it will take ≈ 2 weeks to drill the well and ≈ 1 week to complete the well.

The spud date will be phoned to the Resource Area, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5), reporting the spud date and time, will be sent to the District Manager within 24 hours after spudding. If the spud is on a weekend or holiday, the Sundry will be sent on the following regular work day.

Starting with the month in which operations begin, and continuing each month until the well is physically P&Aed, a "Monthly Report of Operations" (Form 3160-6) will be sent to the Minerals Management Service.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other

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unusual events will be promptly reported to the Resource Area *per* NTL-3A.

If the well is successfully completed for production, then the District Manager will be notified. Written notification will be sent not later than 5 business days following the date on which the well is placed on production. The Resource Area may schedule a first production conference within 15 days after receipt of the first production notice.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Manager. Preliminary approval will not exceed 30 days or 50 MMcf of gas. Approval to vent/flare beyond this initial period will require the District Manager's approval *per* NTL-4A.

A Sundry Notice will be sent to the District Manager within 30 days following completion of the well for abandonment. The Sundry will note where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until reclamation required by the approved APD or abandonment notice has been completed to the satisfaction of BLM.

Once plugged, a 4' high regulation dry hole marker will be installed. The following legend will be beaded on with a welding torch: Speerex Ltd. Partnership, Blue Mt. #1, NWSE 13-37s-24e, U-68675.

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Surface Use Plan

1. EXISTING ROADS & DIRECTIONS (See PAGES 16-18)

From the Blue Mt. Cafe in Dove Creek, go SW 18.3 mi. on the Cedar Pt. Road. Then turn right and go SW 10.8 mi. on County Road 341. Then turn left and go south \approx 100 yards on a reclaimed road to the wellsite.

An Encroachment Permit has been filed with the San Juan County Road Dept. Roads will be maintained to a standard at least equal to their present condition. No upgrading will be needed, though blading will be done to remove ruts and two cattleguards installed. All roads are public, on-lease, or will be covered under a BLM right-of-way which will be assigned from Santa Fe Energy to Speerex.

Santa Fe (Rex Wedgeworth) has verbally agreed to assign right-of-way grant U-62020 to Speerex. This APD is serving as the assignment application. A \$50 check for the assignment fee along with Santa Fe's assignment letter will be forwarded under separate cover when received from Santa Fe. The right-of-way crosses Sections 5, 7, 8, & 18; T. 37 S., R. 25 E. and is 16,500' long and 30' wide and is shown on PAGE 18.

2. ROAD TO BE BUILT OR UPGRADED (See PAGE 18)

No new road will be built, although 100 yards of reclaimed road will be re-built. The 100 yards of road will be flat bladed with a 16' wide running surface and maximum disturbed width of 30'. Maximum cut or fill will be 3'. Maximum grade will be 6%. No gates, cattleguards, or culverts are needed.

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Due to the distance (11+ miles) from the well to an all weather access road to the north, if production results, a shorter (<2 miles) access route will be used to access the well from the south. Exact route is not known at this time, but will probably use an existing jeep trail in Tank Canyon. It is likely a pipeline would parallel the road and a tank battery or load point be built near the mouth of Tank Canyon. Separate applications (Sundry, right-of-way as appropriate) will be made then.

Access will be water barred or brought to Class 3 Road Standards within 60 days of completing drilling operations. If the deadline cannot be met, the Resource Area will be notified so temporary drainage control can be installed. Class 3 Road Standards control drainage by using topography, ditch turnouts, dips, outsloping, crowning, low water crossings, and culverts. Specific measures will be determined at a joint field inspection.

3. EXISTING WELLS

There are no oil, gas, water, injection, or disposal wells within 1 mile.

4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now (see above). A Sundry Notice will be submitted before they are installed.

All permanent (on site for 6 or more months) surface facilities will be painted a flat, neutral juniper green color. Parts required to comply with OSHA colors will be excluded.

The tank battery will be surrounded by a dike of sufficient capacity to

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contain 150% of the storage capacity of the largest tank in the battery + one day's production. All loading lines will be placed inside the dike. The battery, berm, pits, and production facilities will be fenced and gates kept closed.

Site security regulations in 43 CFR 3162.7-5 and Onshore Order #3 will be obeyed. Oil and gas measurement will comply with Onshore Orders #4 (43 CFR 3162.7-2) and #5 (43 CFR 3162.7-3).

Gas meter run will be within 500' of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meters will be housed and/or fenced.

If at any time these facilities located on public lands authorized by the terms of the lease are no longer included in the lease, BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation determined by the authorized officer.

5. WATER SUPPLY (See PAGE 16)

Water will be trucked ≈14 miles from a private water hole on Cedar Point. An Application to Appropriate Water will be filed with the State of Utah Div. of Water Rights.

6. CONSTRUCTION MATERIALS

Pad construction materials will be on lease native soil in place on the well pad and road. Bentonite will be bought from a commercial source. Rock will be bought from a private pit or from BLM *per* 43 CFR 3610.

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7. WASTE DISPOSAL

The reserve pit will be lined with 24 tons of bentonite worked into 3:1 sides. Over half of the capacity will be in cut. The pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire within 24 hours after it is built. The 4th side will be fenced within 24 hours after drilling stops. The fence will be kept in good repair while the pit dries. No liquid hydrocarbons will be discharged to the pit, pad, or road. Should hydrocarbons escape, they will be cleaned up and removed within 48 hours. No chrome compounds will be on location.

All trash will be placed in a trash cage. When full, it will be hauled to a landfill in Dolores or Montezuma Counties.

Human waste will be disposed of in 10' deep ratholes or chemical toilets. The ratholes will be immediately filled when the trailers are removed.

Water will be produced into the reserve pit for 90 days or less after initial production. During the 90 days, an NTL-2B application will be submitted for the District Manager's approval of a permanent disposal method and site.

8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Three camper trailers may be on site for the company man, mud logger, and tool pusher.

9. WELL SITE LAYOUT & CONSTRUCTION

See PAGES 19-21 for depictions of the well pad, cross sections, cut and fill

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diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation. The topsoil will be saved and piled southeast of the pad. A diversion ditch will be built along the cut slopes to drain south and west.

10. RECLAMATION

Within 24 hours of completing drilling, the wellsite and immediate area will be cleared of all debris, material, and junk not needed for production.

Reclamation will start when the reserve pit is dry. All areas not needed for production will be backfilled, recontoured to match natural contours, and reserved topsoil and brush spread. If the well is a producer, then enough topsoil will be kept aside to reclaim the rest of the pad. That pile of topsoil and all reclaimed areas will be broadcast seeded between October 1 and February 28 with the below mixture. Seeded areas will be left rough and lightly harrowed after seeding. If the seed is drilled, then the rate can be reduced by 25% and harrowing eliminated.

4 lb/ac crested wheatgrass
4 lb/ac fourwing saltbush
3 lb/ac alfalfa
2 lb/ac Indian ricegrass
1 lb/ac antelope bitterbrush
1 lb/ac wild sunflower

11. SURFACE OWNER

The owner of the pad and road is the federal government as administered by

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BLM. All other access is on public roads.

12. OTHER INFORMATION

The dirt contractor will be provided with an approved copy of the surface use plan. The well will be identified from rig-up on *per* 43 CFR 3162.6.

Speerex will inform everyone in the area who is associated with the well that they are subject to prosecution for knowingly disturbing historic or archaeologic sites or for collecting artifacts. If historic or archaeological material is uncovered during construction, the operator is to immediately stop work that may further disturb such material and call BLM. BLM will inform the operator within 5 working days whether the material appears eligible for the Nat'l. Register of Historic Places, likely mitigation the operator must do before the site can be used if in-situ preservation is not necessary, and a timeframe for BLM to complete an expedited review under 36 CFR 800.11 to confirm through the SHPO that the BLM's findings are correct and the mitigation is appropriate.

If the operator wishes at any time to relocate activities to avoid the expense or delays of mitigation, BLM will assume responsibility for any required recording or stabilization of the exposed material. Otherwise, the operator is responsible for mitigation costs. BLM will provide technical and procedural mitigation guidelines. Once BLM verifies mitigation has been completed, the operator will then be allowed to resume construction.

There will be no change from the proposed drilling and/or workover plan without prior approval from the District Manager. A Sundry Notice will be filed for approval for all changes of plans and other operations *per* 43 CFR 3162.6.

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This permit will be valid for one year from the date of approval. After it expires, a new application will be filed for approval of future operations.

The District Office's mailing address is P.O. Box 970, Moab, Utah 84532. The phone number is (801) 259-6111.

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535. The phone number is (801) 587-2141.

Safe drilling and operating practices will be used. The nearest hospital is a 90+ minute drive to Monticello, Utah. It is 3 blocks northwest of the intersection of US 666 and US 191. Hospital phone number is (801) 587-2116. Or dial 1-800-332-1911 from anywhere in San Juan County. The closest medically equipped helicopter is in Grand Junction, Colorado, at St. Mary's Hospital. Call (303) 244-2550.

13. REPRESENTATION AND CERTIFICATIONS

Anyone having questions concerning the APD should contact:

Brian Wood
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505
(505) 984-8120

The field representatives for Speerex will be:

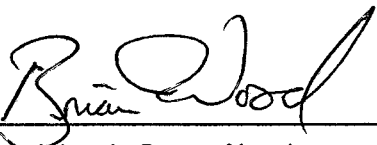
Steve Speer	or	Bob Griffie
Speerex Ltd. Partnership		Wellsite Engineering
P.O. Box 266		P.O. Box 2606
Roswell, NM 88202		Farmington, NM 87499
(505) 622-9815		(505) 325-8786

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I hereby certify Speerex Ltd. Partnership has the necessary consents from the proper lease and unit interest owners to conduct lease and unit operations in conjunction with this APD. Bond coverage *per* 43 CFR 3104 for lease activities will be provided by Speerex Ltd. Partnership.

I hereby certify I have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Speerex Ltd. Partnership and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

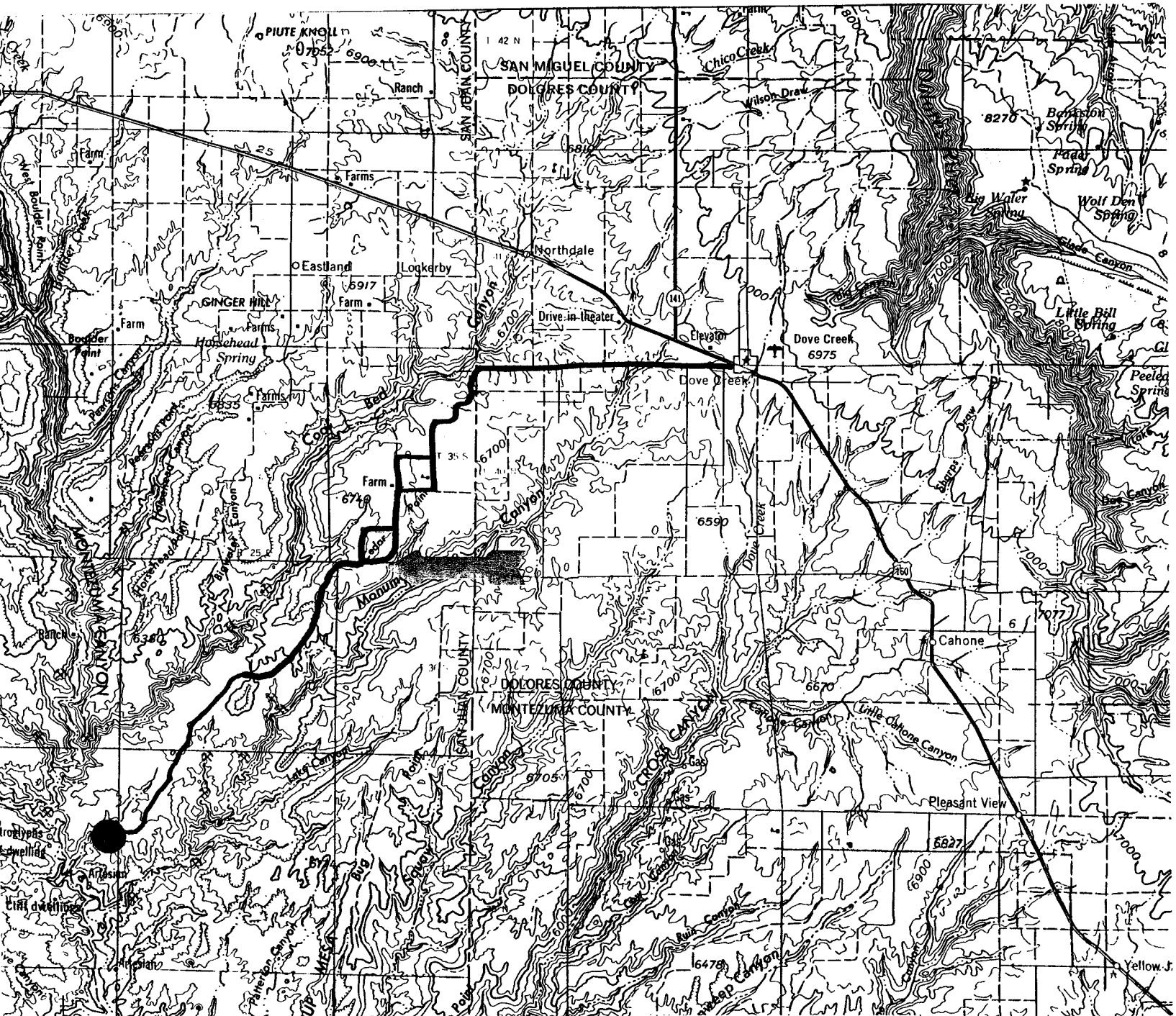


Brian Wood, Consultant

June 20, 1992
Date

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Blue Mt. #1
2250' FSL & 1825' FEL
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Proposed Well: ●

Access Route: ~

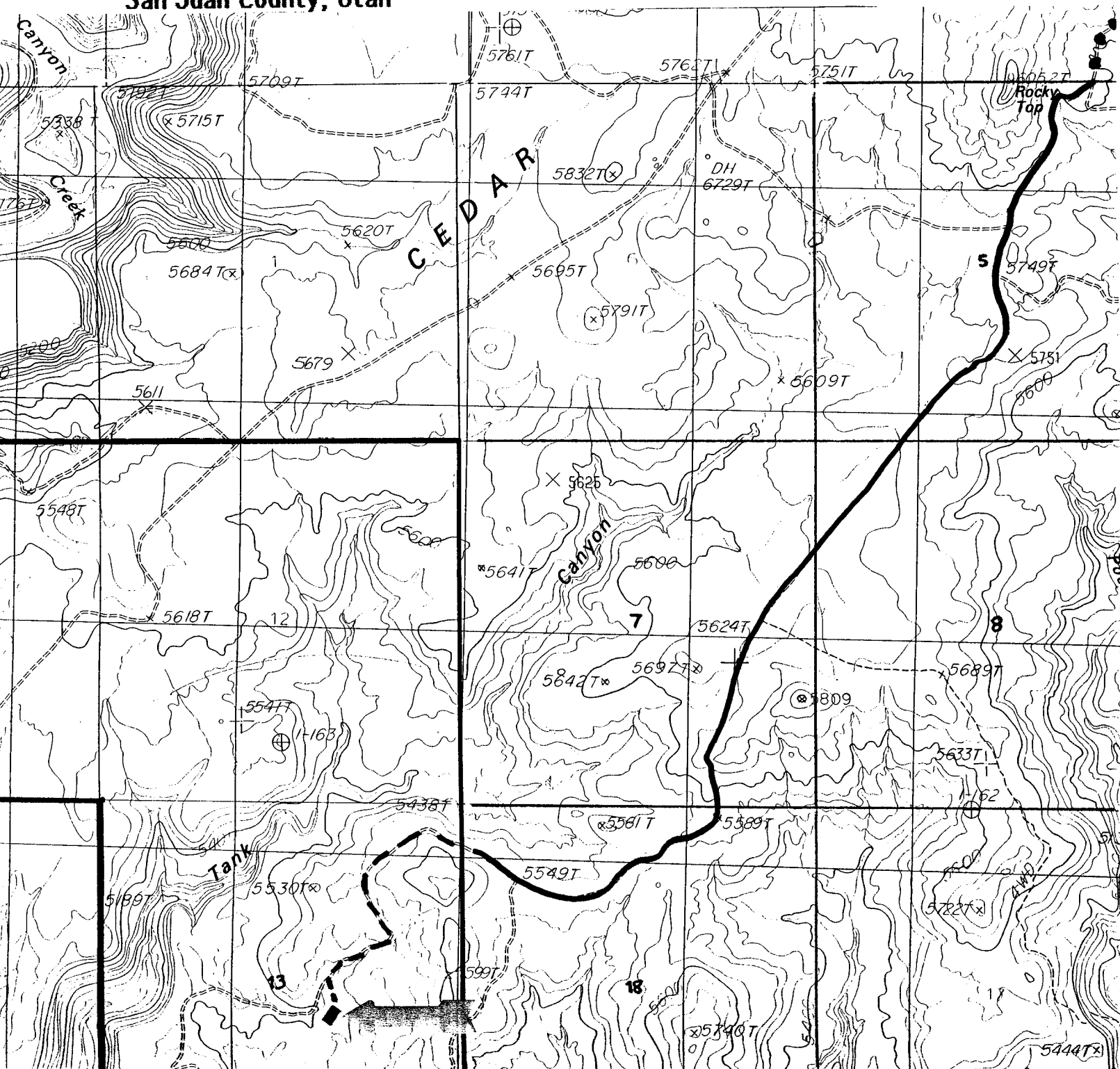
Water Source: [Shaded Area]

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Proposed Well:

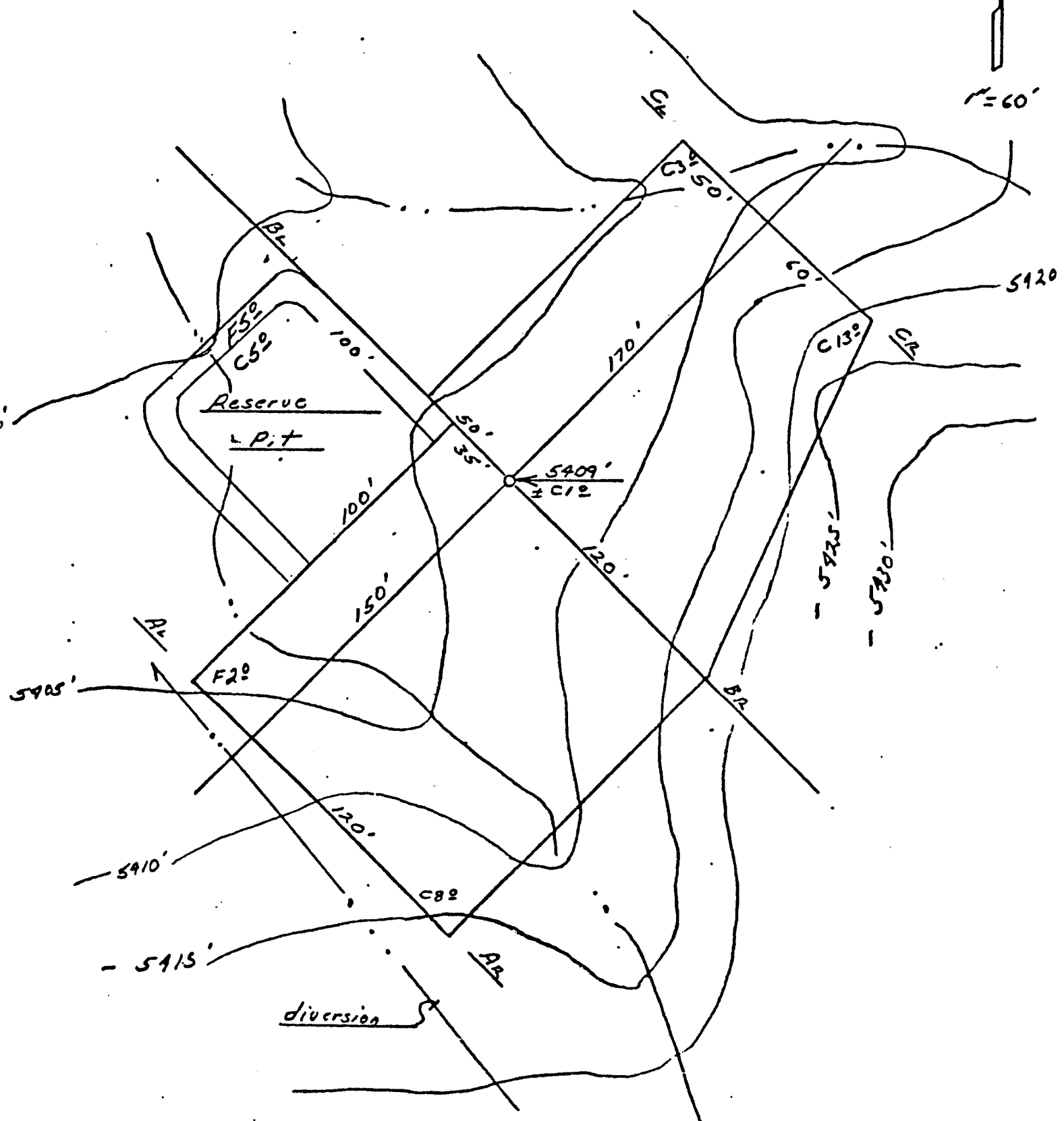
Lease Line:



On-Lease Road:

County Road:

Off-Lease Road:
 (BLM Road R/W)

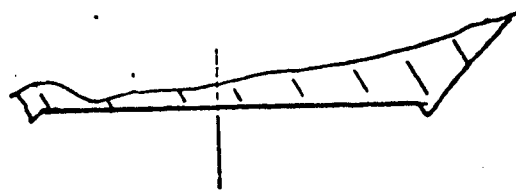
PERMITS WEST, INC.
 PROVIDING PERMITS for the ENERGY INDUSTRY

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Cut 
 Fill 

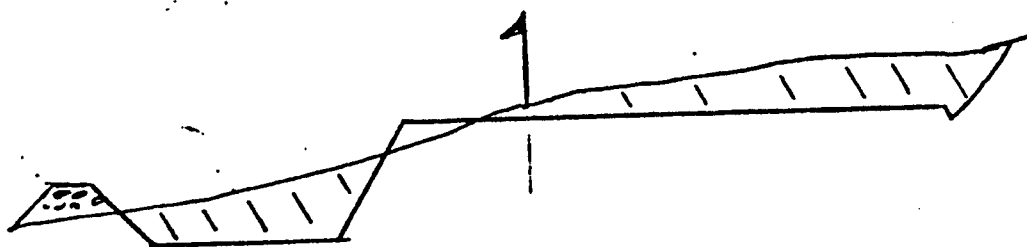
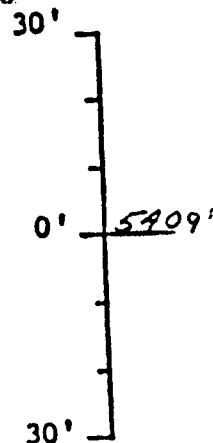
Scales: 1" = 60' H.
 1" = 30' V.

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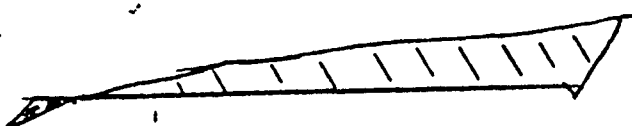
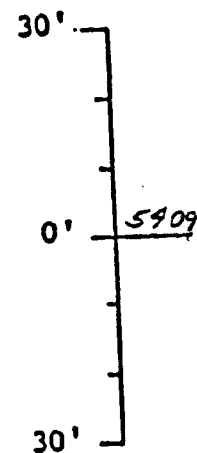
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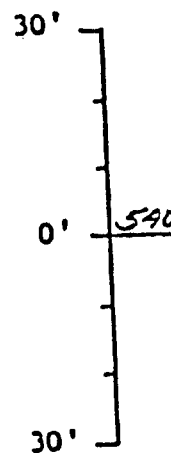
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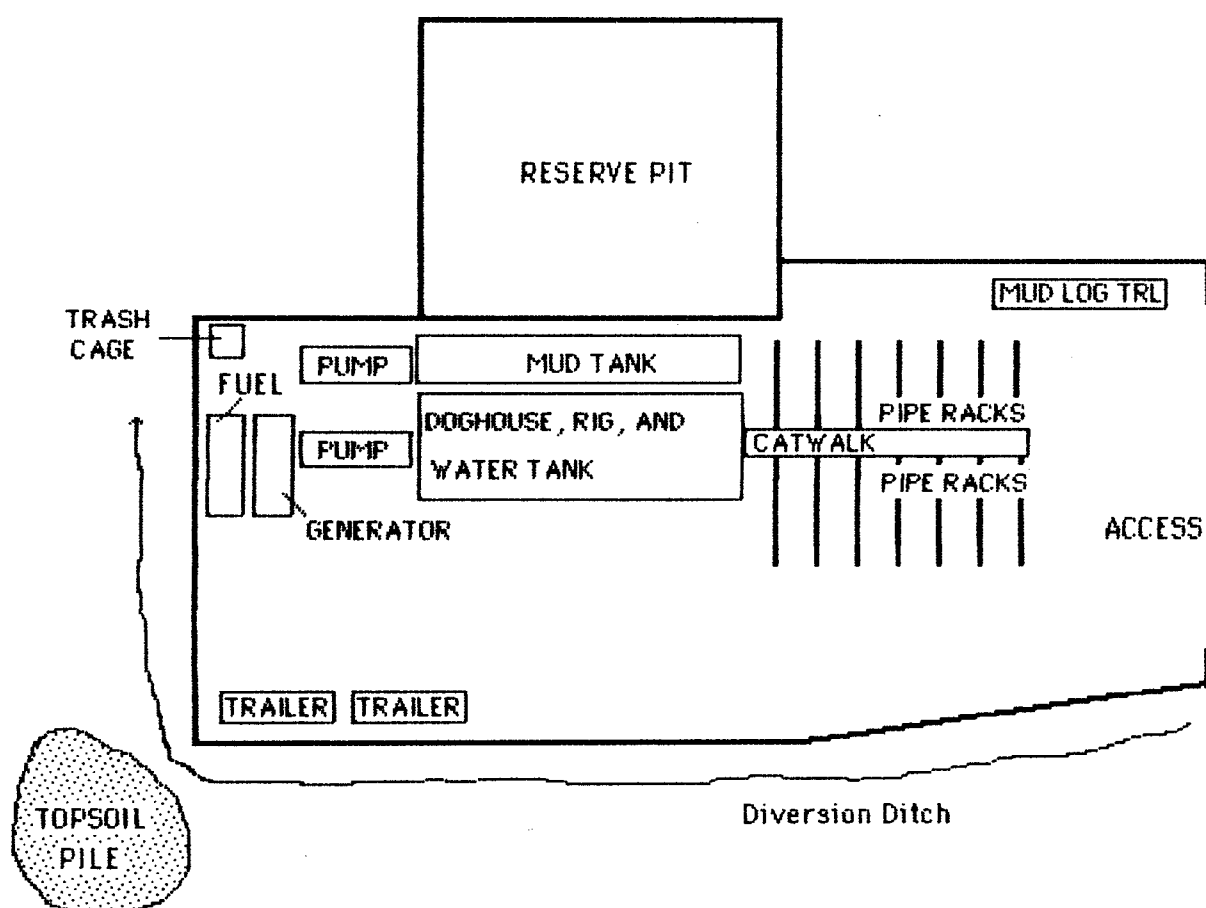
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AR



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WellSite Engineering

R. Griffiee

5/1/92

not drawn to scale

SPEEREX LTD'S

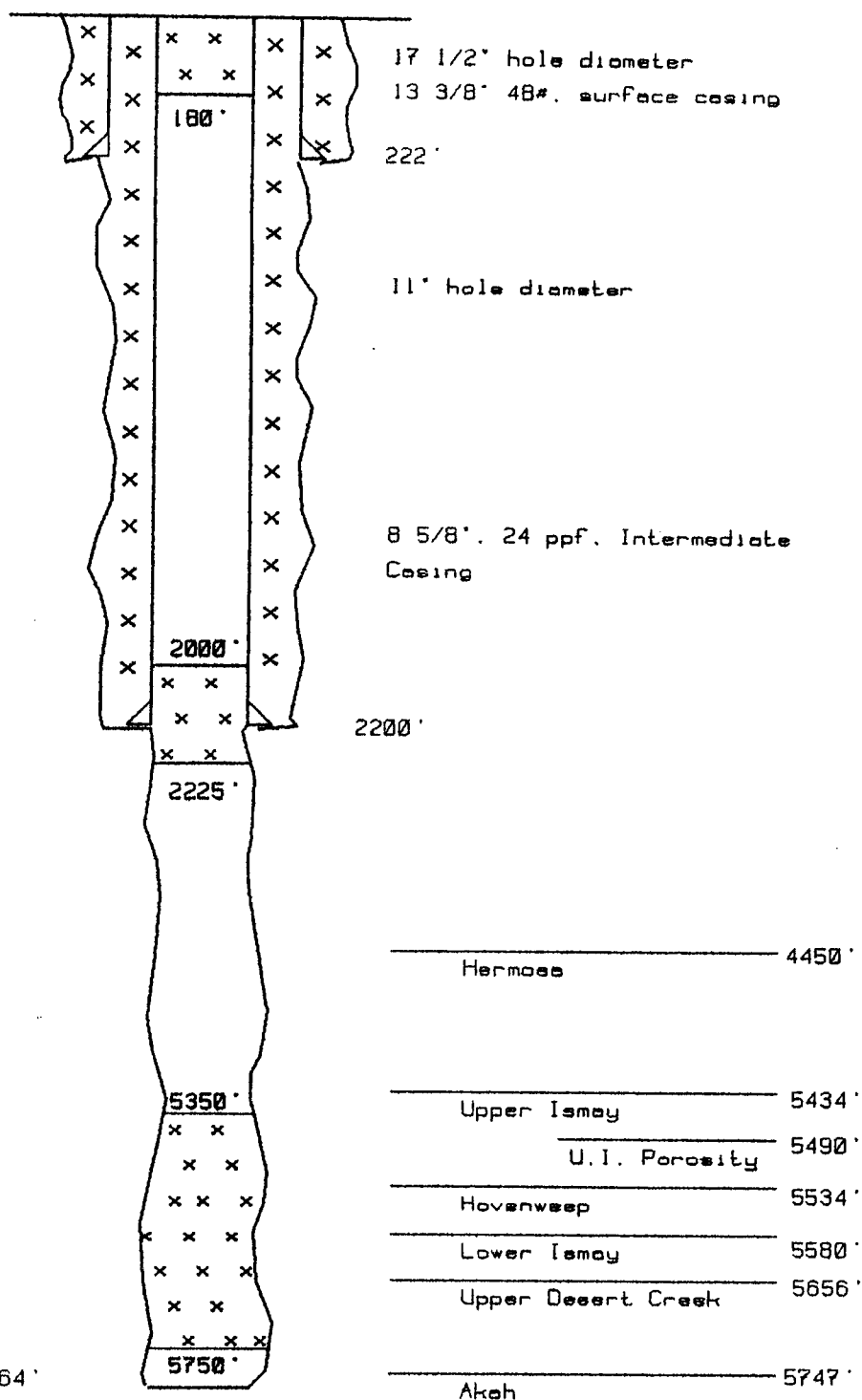
Bradford Canyon Federal #1-13

2250 FSL x 1825 FEL

Section 13, T37S, R24E

San Juan County, Utah

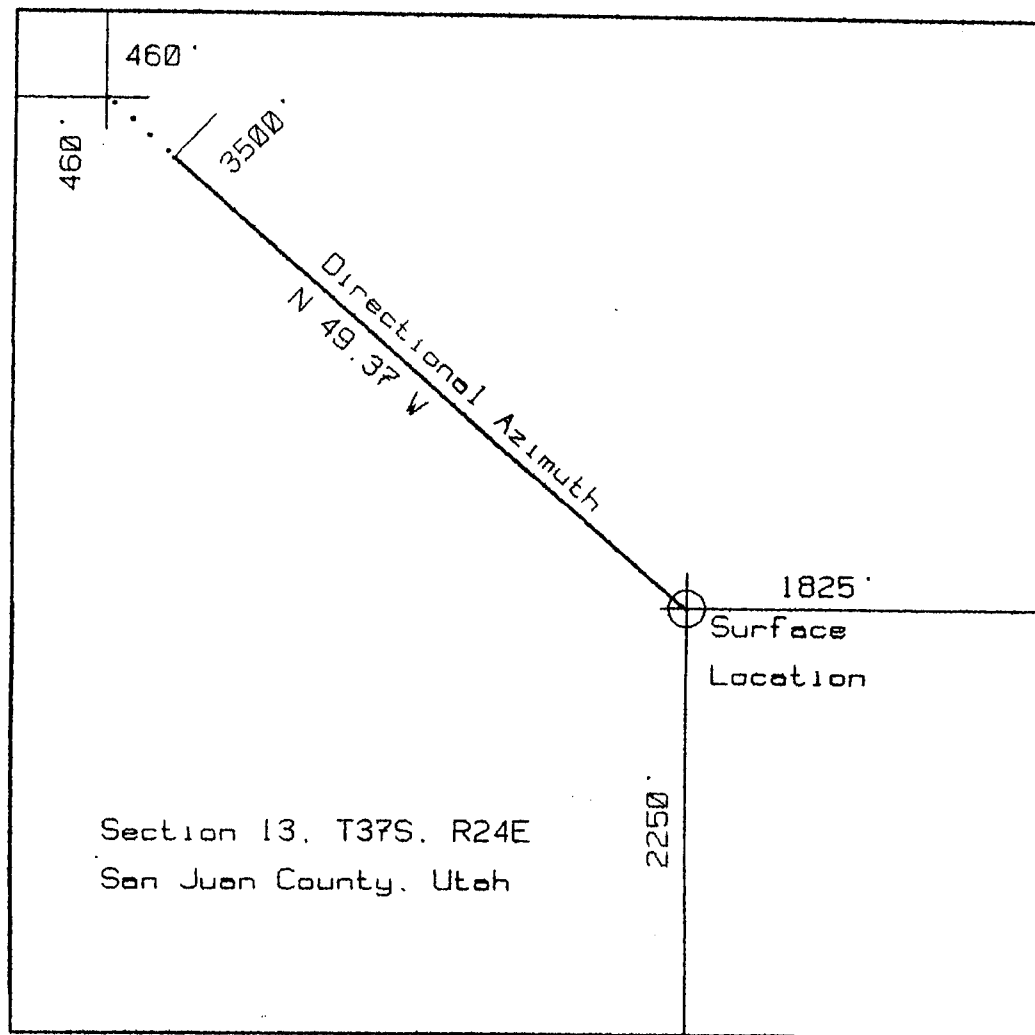
Present Wellbore Condition



WELLSITE ENGINEERING

Speerex LTD

Bradford Canyon Federal #1-13



Scale: 1"=1000'

R. Griffie

5/4/92

WELLSITE ENGINEERING

SPEEREX

Bradford Canuon Federal #1-13

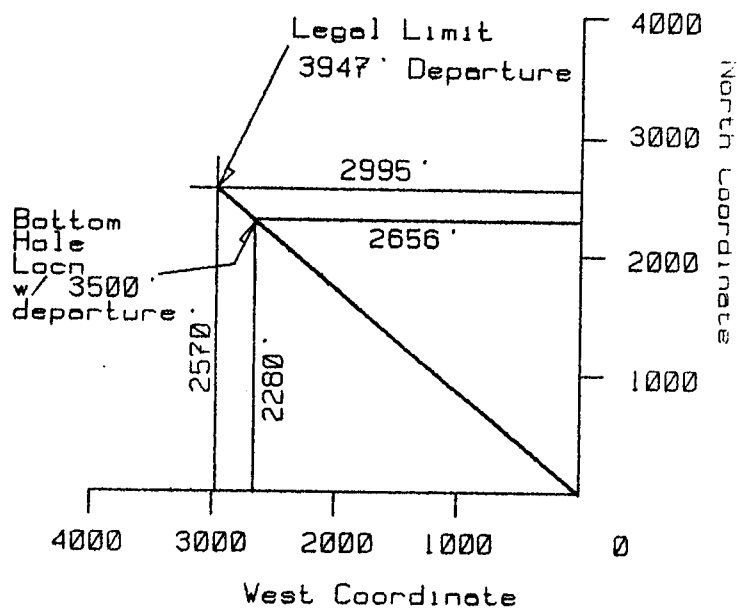
Preliminary Directional

Drilling Plottes

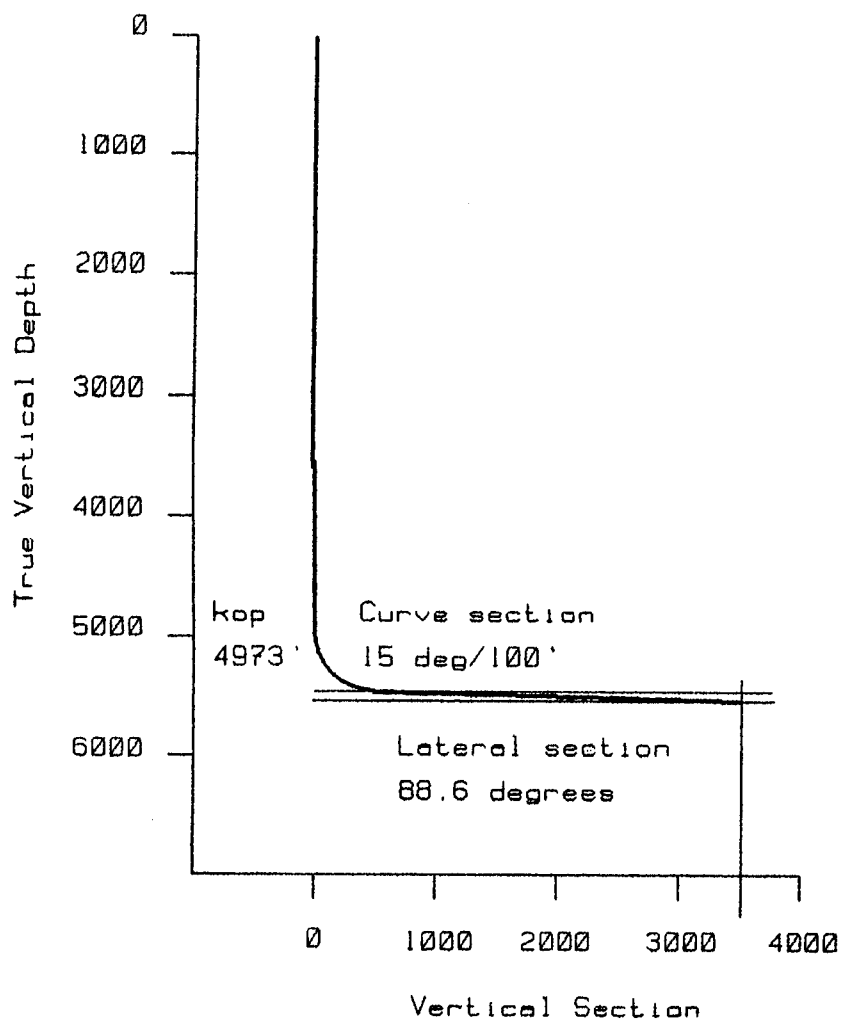
R. Griffes

5/5/92

MAP VIEW



SECTION VIEW



Upper Ismay
Porosity
5456 to 5530'

Re-Entry

082003

6-09-90

OPERATOR

Sperry, Ltd.

Santa Fe Operating Partners

DATE

8-4-87

WELL NAME

Bradford Canyon Unit 1-13

Blue mtn #1

SEC

NWSE 13

T

39S

R

24E

COUNTY

San Juan

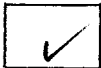
43-037-31338

API NUMBER

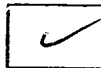
Lease

TYPE OF LEASE

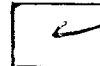
CHECK OFF:



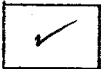
PLAT



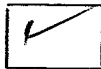
BOND



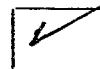
NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Unit Well - Designation approved 8/12/87

Need water permit

New well name with APD

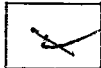
Unit contracted this well not in unit

No other producing well within Sec 13 - Exception Location

APPROVAL LETTER:

N/A

SPACING:



R649-2-3

Bradford Canyon
UNIT

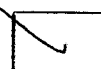


R649-3-2



N/A

CAUSE NO. & DATE



R649-3-3

R615-3-3

7-1-90

STIPULATIONS:

Water

Reentry



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Timothy H. Provan
Division Director

Southeastern Region
455 West Railroad Avenue
Price, Utah 84501-2829
801-637-3310
801-637-7361 (Fax)

July 23, 1992

Mr. Ed Scherick
Bureau of Land Management
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

Dear Ed:

The Division of Wildlife Resources (DWR) has reviewed Speerex Limited Partnership's application for a permit to drill (APD) the Blue Mountain #1 well (EA# 069-92-035). We have the following concerns, comments, and recommendations regarding this APD.

The area of the proposed well provides habitat for a number of high interest wildlife species. These include mule deer, spotted bats, spotted owls, golden and bald eagles, other raptors, and a variety of nongame species. While the activities of this well will remove only a small amount of actual habitat, the primary impact is the disturbance associated with drilling and road construction activities and increased activity levels. It has been shown that such disturbance can cause wildlife to abandon areas traditionally utilized. This results in the use of lower quality habitats or over-utilization of adjacent habitats, thus impacting all aspects of these species' natural history. Impacts to wildlife can be minimized if appropriate measures are taken to avoid sensitive areas and times of the year.

You are well aware of the potential impacts of exploratory activity on wintering deer. Although the proposed starting date for this project is late summer, delays are common and this could mean construction activities would take place during the winter season. This area is critical deer winter range and, should delays be encountered, we recommend that activities be restricted from December 1 to April 15 to minimize these impacts. As outlined in the Surface Use Plan, we strongly support the use of fourwing saltbush, alfalfa and bitterbrush in the revegetation of all disturbed areas. These are important forage species on deer winter range.

A pair of wintering bald eagles has been observed using the Montezuma Creek area. It is a possibility that this pair may also select this area as a nest site. Again, should delays in construction occur, the winter roost site of this pair should be

Mr. Ed Scherick

July 23, 1992

identified and if located within 0.5 miles of the drill site, then no activity should occur from December 1 to April 15.

Critical habitat for the Mexican Spotted Owl includes narrow canyons in conjunction with pinyon, juniper, Douglas fir or ponderosa pine trees. Montezuma Creek and its associated side canyons appears to be potential habitat for spotted owls. The location of spotted owls in PJ areas within the last year adds to the importance of this area as potential habitat. In light of the amount of exploratory activity proposed for this area, DWR recommends that a survey for potential spotted owl use occur prior to any activity. In addition, the U.S. Fish and Wildlife Service should be consulted concerning the potential for spotted owls to occur in this vicinity. If spotted owls are found to use this area, the appropriate buffer zones and seasonal restrictions will be required.

Golden eagles and red-tail hawks are known to nest in the vicinity of the proposed well. In addition, ferruginous hawks have been sighted in the north Montezuma Creek area. If delays result in construction activity at any time from February to mid July, a raptor survey should be conducted to locate any active raptor nests within 0.5 miles of the well site.

During a 1991 ferruginous hawk survey, it was noted that the habitat in the vicinity of the proposed well is suitable for spotted bats. Spotted bats are a U.S. Fish and Wildlife Service Category 2 species. This species is extremely sensitive to human disturbance and we recommend that surveys be done prior to construction of this well site to determine if spotted bats occur within this area. If found, a buffer zone protecting roost and hibernation areas will be required.

We appreciate the efforts of your Resource Area with regard to the netting of reserve pits for the protection of wildlife. The guidelines we have recommended for earlier APDs concerning the netting and testing of reserve pits apply to this APD as well. With the potential occurrence of spotted bats in this area, as well as a variety of other bat species, these guidelines will help minimize the potential for mortality. Water sources are critical to wildlife and it is important that these sources do not become contaminated or depleted in any way as a result of drilling activities. We support the lining of the reserve pit as outlined in the Surface Use Plan.

The Environmental Notification Board indicated that, in addition to this well, the following proposals for exploratory and seismic work in this same area have been received:

(3)

Mr. Ed Scherick

July 23, 1992

- Lower Squaw Point #1 (EA# 069-92-043)
- Quantum #1 (EA# 069-92-044)
- Scorpion #1 (EA# 069-92-045)
- Cactus Point #1 (EA# 069-92-046)
- MX1-21 (EA# 069-92-047)
- MX2-21 (EA# 069-92-048)
- McCracken Mesa 35A (EA# 069-92-049)
- Bronco Prospect (EA# 069-92-022)
- Petro Cliffs Prospect (EA# 069-92-021)
- Peregrine Seismic (EA# 069-92-055)
- Devil Canyon Seismic (EA# 069-92-056)

DWR is concerned about the potential impacts to critical wildlife habitat that this degree of development and activity could contribute. Cumulative impacts of these activities, in addition to grazing and recreation, must be addressed. It is only by applying restrictions and mitigation measures to these activities that impacts to this aesthetically and ecologically unique area can be minimized and avoided. We recommend that, as these projects are being assessed, mitigation measures such as seasonal restrictions, buffer zones, habitat improvements, water improvements, grazing management, population monitoring programs, road closures, and area closures be seriously considered. We have noted the same concern in a previous letter and suggested we discuss the options available for addressing cumulative impacts. I suggest a meeting be set to discuss this issue. Mitigation banking is one possibility.

We acknowledge the difficulty of your obligation to balance all of the various uses of public lands. We feel that protection of wildlife and wildlife habitat is a legitimate use of public lands and that through a cooperative program of assessment and mitigation, the needs of both of our agencies can be met. We appreciate the opportunity to provide comments on this action. As they become available, we would also like information on the proposed actions outlined in this letter. If you have any questions regarding our comments, please contact Ken Phippen, Regional Habitat Manager.

Sincerely,



Miles Moretti
Regional Supervisor

SR/lcl

Copy: Ralph Miles, DWR
Roger Zortman, BLM

Appropriate

8. List any other water rights which will supplement this application _____
Application supplements Celsius Energy Company's water right.

9. NATURE AND PERIOD OF USE

Irrigation:	From _____	to _____
Stockwatering:	From _____	to _____
Domestic:	From _____	to _____
Municipal:	From _____	to _____
Mining:	From _____	to _____
Power:	From _____	to _____
Other:	From <u>Sept. 1, 1992</u>	to <u>Aug. 31, 1993</u>

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Water will be used for oil well drilling mud, dust control, compaction, etc.

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
North 2250' and West 1825' from the SE corner of Sec. 13, T. 37 S., R. 24 E., SLBM at the Blue Mt. #1 oil well (NWSE 13-37s-24e) on BLM land.

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): From #2: Land is private. Celsius Energy Company has approved this use (see attached consent).

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Speerex Ltd. Partnership
Signature of Applicant(s)

by Brian Wood
Brian Wood

as agent for Speerex Ltd. Partnership

STATE ENGINEER'S ENDORSEMENT

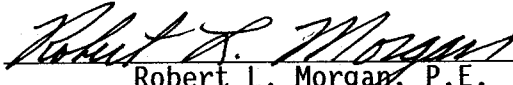
WATER RIGHT NUMBER: 09 - 1803

APPLICATION NO. T66345

1. August 24, 1992 Application received by MP.
 2. August 24, 1992 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated September 4, 1992, subject to prior rights and this application will expire on September 4, 1993.


Robert L. Morgan, P.E.
State Engineer

RECEIVED

SEP 08 1992

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Speerex Ltd. Partnership

(505) 622-9815

3. Address and Telephone No.

P.O. Box 266, Roswell, NM 88202-0266

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 2250' FSL & 1825' FEL 13-37s-24e

BHL: 460' FNL & 460' FWL 13-37s-24e

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

UTU-68675

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Blue Mt. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan, Ut.

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other **Change operator**

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well will be built, drilled, and operated by Myco Industries, Inc. of 207 South 4th St., Artesia, NM 88210. Myco is now posting its bond.

This Sundry Notice is also a right-of-way assignment application. Speerex Ltd. Partnership hereby assigns 100% of its interest in road right-of-way U-62020 to Myco Industries, Inc. Myco will provide \$50 assignment fee.

RECEIVED

OCT 19 1992

**DIVISION OF
OIL, GAS & MINING**

cc: BLM-MDO(3), BLM-SJRA(2), N. Muncy, S. Speer, UDOGM(2)

14. I hereby certify that the foregoing is true and correct

Signed

Brian Wood

Title

Consultant (505) 984-8120

Date

10-17-92

(This space for Federal or State office use)

Approved by

43-037-31338

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN 7
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Speerex Ltd. Partnership

(505) 622-9815

3. ADDRESS OF OPERATOR

P.O. Box 266, Roswell, NM 88202-0266

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2250' FSL & 1825' FEL (NWSE)

At proposed prod. zone

460' FNL & 460' FWL (NWNW)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

23 air miles SW of Dove Creek, Co.

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

460'

16. NO. OF ACRES IN LEASE

1,920

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

5,530' TVD

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,409' ungraded ground

22. APPROX. DATE WORK WILL START*

August 1, 1992

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48* (H-40)	222'	~230 sx and to surface
11"	8-5/8"	24* (K-55)	2,200'	~800 sx and to surface
7-7/8"	4-1/2"	11.6* (K-55)	9,000'	~300 sx and 500' up intermed. casing

RECEIVED

NOV 06 1992

DIVISION OF
OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bruce Wood TITLE Consultant

DATE 6-20-92

(This space for Federal or State office use)

PERMIT NO. 43-037-31338

ACTING

APPROVAL DATE Assistant District Manager

APPROVED BY 151 A. Lynn Jackson

TITLE for Minerals

DATE NOV 4 1992

CONDITIONS OF APPROVAL, IF ANY:

cc: MDO (3), SJRA (2), UDOGM (2), B. Speer, S. Speer

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
Dated 1/1/80

CONDITIONS

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CLIMATE

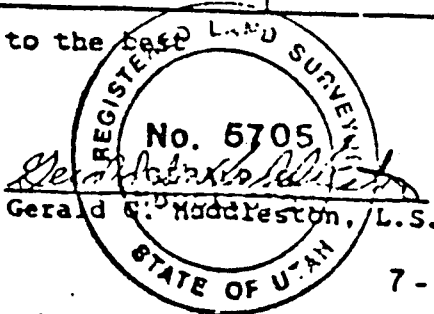


* GLO

Operator SPEEREX LTD. PARTNERSHIP		Well name BLUE MT. #1	
Section 13	Township 37 South	Range 24 East	Meridian SLM
Footages 2250' FS & 1025' FE		County/State San Juan UT	Elevation 5409'
Formation	Dedicated Acreage	Requested by	

The above plat is true and correct to the best of my knowledge and belief.

**FORMERLY SANTA FE ENERGY'S
BRADFORD CANYON 1-13**



Gerald C. Maddreston
Gerald C. Maddreston, L.S.

7-22-'87

MYCO Industries, Inc.
Blue Mountain No. 1
Lease U-68675
Sfc. Loc.: NWSE Section 13, T.37S., R.24E.
BHL: NWNW Section 13, T.37S., R.24E.
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that MYCO Industries, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT 0920 (Principal - MYCO Industries, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.
2. Daily drilling and completion progress reports shall be submitted to the District Office on a weekly basis.
3. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.
4. A temperature survey, or some other appropriate tool, will be run to determine the height of cement behind the production casing.
5. The actual bottom-hole location must not deviate more than 5 degrees to either side of the proposed bottom-hole location.
6. If during drilling, the Hermosa Formation produces or absorbs fluid, the inflatable production casing packer shall be set in the Upper Ismay rather than at the kick-off-point.

B. SURFACE USE PLAN

1. The access and location will be rehabilitated as per the conditions of approval in the APD.
2. There will be no drilling activity during the period of December 15 to April 30.
3. If construction is delayed until February 1, 1993, the wildlife biologist will be notified and a survey would be done to ensure raptor safety during the critical nesting season. All raptor nests will be avoided by one-half mile from construction activities.

UT-060-1790-3
July 1986

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled as soon as production testing begins and hydrocarbons reach the surface. This conference should be coordinated through the Resource Area Office.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and /or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas- NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Assistant District Manager for approval pursuant to NTL-2B.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Jeff Brown, Robert Larsen or Bob Turri of the San Juan Resource Area in Monticello, Utah, at (801) 587-2141 for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOPE;

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (801) 259-6111

Home: (801) 259-2214

If unable to reach the above individual, please call:

Lynn Jackson,

Chief, Branch of Fluid Minerals

Office: (801) 259-6111

Home: (801) 259-7990

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

REC'D MDO NOV 02 REC'D

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

UTU-68675

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Blue Mt. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan, Ut.

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Myco Industries, Inc.

(505) 748-1471

3. Address and Telephone No.

207 South 4th St., Artesia, NM 88210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 2250' FSL & 1825' FEL 13-37s-24e

BHL: 460' FNL & 460' FWL 13-37s-24e

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other **Change operator**

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Myco assumes operatorship of well from Speerex Ltd. Partnership. Well will be built, drilled, and operated by Myco. Myco is now posting its bond. (UT0920)

This Sundry Notice is also a right-of-way assignment application. Myco Industries, Inc. accepts from Speerex Ltd. Partnership assignment in full and all rights and responsibilities associated with road right-of-way U-62020. Assignment fee (\$50 check payable to the Dept. of Interior - BLM) is attached to BLM-SJRA Sundry.

RECEIVED

NOV 06 1992

**DIVISION OF
OIL GAS & MINING**

cc: BLM-MDO(3), BLM-SJRA(2), N. Muncy, S. Spear, UDOGM(2)

CERTIFIED RECEIPT P 982 381 035

14. I hereby certify that the foregoing is true and correct

Signed **William C. Stringer, PECS**

Title **OPERATION MANAGER**

Date **10/30/92**

(This space for Federal or State office use)

Approved by **/S/ WILLIAM C. STRINGER**

**Assistant District Manager
for Minerals**

Date **NOV 3 1992**

Conditions of approval, if any:

CONFIDENTIAL

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Myco Industries, Inc.
Well No. Blue Mountain 1
Sec. 13, T. 37 S., R. 24 E.
San Juan County, Utah
Lease U-68675

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Myco Industries, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by ^{UT0920}~~600920~~ (Principal - Myco Industries, Inc.) via surety consent as provided for in 43 CFR 3104.2.



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

November 10, 1992

Speerex Ltd. Partnership
P.O. Box 266
Roswell, New Mexico 88202-0266

Gentlemen:

Re: Blue Mt. #1 Well - Reentry, (Formerly Santa Fe Energy Operating Partners L.P., Bradford Canyon Federal 1-13 Well), 2250 feet from the south line, 1825 feet from the east line, NW 1/4 SE 1/4, Section 13, Township 37 South, Range 24 East, San Juan County, Utah

Pursuant to Utah Admin. R. 649-3-3, Exception to Location and Siting of Wells and Utah Admin. R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to re-enter and drill the referenced well is hereby granted. The well is a re-entry of the Bradford Canyon Federal 1-13 and will be horizontally drilled to a proposed bottom hole location of 460 feet from the north line and 460 feet from the west line (NW 1/4 NW 1/4), Section 13, Township 37 South, Range 24 East.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
2. Notification within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.

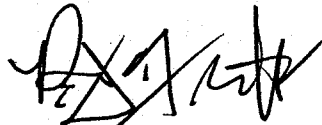
Page 2
Speerex Ltd. Partnership
Re-entry Blue Mt. #1 Well
November 10, 1992

5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-037-31338.

Sincerely,



R.J. Firth
Associate Director, Oil and Gas

Idc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:	
1- VCR	7- VCR
2- DTS	213
3- VLC	
4- RJF	
5- RWM	
6- ADA	

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

- ☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 11-03-92)

TO (new operator) <u>MYCO INDUSTRIES, INC.</u>	FROM (former operator) <u>SPEEREX LTD. PARTNERSHIP</u>
(address) <u>207 SOUTH 4TH STREET</u>	(address) <u>P. O. BOX 266</u>
<u>ARTESIA, NM 88210</u>	<u>ROSWELL, NM 88202-0266</u>
	<u>BRIAN WOOD, CONSULTANT</u>
phone <u>(505) 748-1471</u>	phone <u>(505) 622-9815</u>
account no. <u>N 1380 (11-13-92)</u>	account no. <u>N1360 (11-13-92)</u>

Well(s) (attach additional page if needed):

Name: <u>BLUE MT. #1/DRL</u>	API: <u>43-037-31338</u>	Entity: <u>99999</u>	Sec <u>13</u> Twp <u>37S</u> Rng <u>24E</u>	Lease Type: <u>UTU6867</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 10-19-92)*
- 2 2. (Rule R615-8-10) Sundry or c (Attach to this form). *(Rec'd 10-19-92)*
- 3 3. The Department of Commerce h operating any wells in Utah yes, show company file numbe or above is not currently state? (yes) no) If ex LTD. Partnership?
- 4 4. (For Indian and Federal He (attach Telephone Documenta comments section of this fc changes should take place pr He is trying to get paperwork from them. DTS 3-9-94
- 5 5. Changes have been entered ir listed above. *(11-13-92)* (Wang/IBM) for each well
- 6 6. Cardex file has been updated ?
- 7 7. Well file labels have been updated for each well listed above. *(11-13-92)*
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(11-13-92)*
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1- LCR	7- LCR
2- DTS	213
3- VLC	✓
4- RJF	✓
5- RWM	✓
6- ADA	✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 11-03-92)

TO (new operator) <u>MYCO INDUSTRIES, INC.</u>	FROM (former operator) <u>SPEEREX LTD. PARTNERSHIP</u>
(address) <u>207 SOUTH 4TH STREET</u>	(address) <u>P. O. BOX 266</u>
<u>ARTESIA, NM 88210</u>	<u>ROSWELL, NM 88202-0266</u>
	<u>BRIAN WOOD, CONSULTANT</u>
phone <u>(505) 748-1471</u>	phone <u>(505) 622-9815</u>
account no. <u>N 1380 (11-13-92)</u>	account no. <u>NI360 (11-13-92)</u>

Well(s) (attach additional page if needed):

Name: <u>BLUE MT. #1/DRL</u>	API: <u>43-037-31338</u>	Entity: <u>99999</u>	Sec <u>13</u> Twp <u>37S</u> Rng <u>24E</u>	Lease Type: <u>UTU6867</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
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Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 10-19-92)*
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 11-3-92)*
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) If yes, show company file number: #165466. *(No listing for Speerex LTD. Partnership)*
- 4 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(11-13-92)*
- 6 6. Cardex file has been updated for each well listed above. *(11-13-92)*
- 7 7. Well file labels have been updated for each well listed above. *(11-13-92)*
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(11-13-92)*
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form). 99999-Drl.
- 1 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 1 2. A copy of this form has been placed in the new and former operators' bond files.
- 1 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 1 2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

- 1 1. All attachments to this form have been microfilmed. Date: Nov. 18 1992.

FILED

- 1 1. Copies of all attachments to this form have been filed in each well file.
- 1 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

921112 Btm/Moab Approved eff. 11-3-92.

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RE-ENTRY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 19935. Lease Designation and Serial No.
UTU - 686756. If Indian, Allottee or Tribe Name
N/A7. If Unit or CA, Agreement Designation
N/A 43-037-31338

8. Well Name and No.

Blue Mt. #1

9. API Well No.

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State

San Juan, UT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or to enter a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Wildcat

2. Name of Operator

Myco Industries, INC.

3. Address and Telephone No.

207 S. 4th ST. Artesia, NM 88210 505 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface 2250' FSL & 1825' FEL 13 - 37E - 24E
BHL Actual 3049' FSL & 2782' FEL 13-37S - 24E

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☒ Final Abandonment Notice

TYPE OF ACTION

☒ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☐ Other☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

TD'D The well 6579' at 6:30pm 11-30-92. Called Eric Jones at home.
Received Verbal approval to P&A w/ 4 cement plugs.

#1 in 6 1/8" hole 5716' to 5916' 75 SX, 100% excess.

#2 in 9 1/2" AVG. Hole size 4562' to 4862' 175 SX 100% excess.

#3 in 9 1/2" AVG. Hole size X 8 5/8" 24# CSG. 2150' to 2250', CSG.
shoe 2200' 75 SX 50% excess in CSG. 100% Excess in OH.

#4 GL to 50' 35 SX 50% excess.

Jeff Brown of BLM witnessed the abandonment.

A salt water flow from the Cutler formation required to run a cast
Iron bridge plug and set @ 1773' KB after plug #3 was set.The 4th plug was in place at 4:00am 12-1-92. The wellhead was cut
off and an abandonment marker will be installed as soon as the rig
is moved off.

(Continued on Back)

14. I hereby certify that the foregoing is true and correct

Signed Robert R. GossTitle Engineering ConsultantDate 12-3-92

(This space for Federal or State office use)

Approved by William C. HaysTitle Assistant District Manager for MineralsDate 12/11/92

Conditions of approval, if any:

CONDITIONS OF APPROVAL ATTACHED

APPROVE W/ FINAL COMMENTS: ccj 12/11/92

ALJ 12/11/92

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

43.037-31338

ONSITE TECHNOLOGIES - DAILY DRILLING RE.

FOR: MYCO PETROLEUM

DATE: 12-1-92

WELL NAME: BLUE MTN #1

DEPTH: 2010 - SURFACE

ACTIVITY AT REPORT TIME: RD 4 Corners Rtg #1

OTHER ACTIVITY:

TIME	HOURS	DESCRIPTION
0600 - 0700	1	RU Howco Plug #1 755X @ 5716 - 5916'
0700 - 0900	2	LD 44 jts of DP
0900 - 0930	1/2	SET Plug #2 1755X @ 4342 - 4562'
0930 - 1115	1 3/4	LD 75 jts of DP
1115 - 1145	1/2	SET Plug #3 755X @ 2150 - 2250'
1145 - 1400	4 1/4	LD 71 jts of DP
1400 - 1700	3	NO BOPS Discovered Water Flow
1700 - 0100	8	NO BLM SET WL 32 @ 1773'
0100 - 0300	2	NO BOPS Cut off WH
0300 - 0400	1	SET Plug #4 GL to 50'
0400 - 0700	3	clean pits

BLM REP: Jeff Brown

Rig Released @ 7:00 AM 12-1-92

TIME DISTRIBUTION:

ITEM	DAILY	CUMULATIVE
MIRU		
Drilling		152 1/2
Survey		1
Trips		753 1/4
Reaming/Washing		21 3/4
Circ & Cond		15 1/4
Casing Operations		
Cementing		13 1/4
Pressure Control		
NU BOPS & Test		19 1/4
Lost Circulation		
Rig Maintenance		53 1/4
Rig Repair		
Fishing		12 1/4
Evaluation		11 1/2
PU/LD DP, X/O Bha		35 1/4
Wait On...		21 1/2
Other P&A	25	31
Total	25	398

BIT #	SIZE	TYPE	SN	JETS (TPA)	DEPTH OUT	FOOTAGE	HOURS	CUM HRS	FT/HR	CONDITION
-------	------	------	----	------------	-----------	---------	-------	---------	-------	-----------

BIT #	WT ON BIT	RPM	STROKE LENGTH	SPM	LINER	GPM	PUMP PRESS	AV DP	AV DC	NOZ V VEL	SURFACE BHP	BIT BHP	1 HRP @ BIT	HP/ SQ IN
-------	-----------	-----	---------------	-----	-------	-----	------------	-------	-------	-----------	-------------	---------	-------------	-----------

MUD PROPERTIES

WT	VIS	WL	% SOLIDS
GBLS	PV	YP	PH
CAGE	% SAND	CL	CA

PRODUCTS USED:

DRILL PIPE:

DRILL COLLARS:

BHA:

SURVEYS:

DEG #	FT
DEG #	FT
DEG #	FT
DEG #	FT
DEG #	FT

COST DISTRIBUTION:

	DAILY	CUMULATIVE
1 SURVEY, LOCATION ROADS		9025
2 RIG (CONTRACT OR DAYWORK) DE MOD	20000	118,925
3 FUEL		
4 MUD, CHEMICALS, ETC		33790
5 RENTALS	2000	32107
6 BITS, RMRS, STBLS, ETC.		33280
7 CEMENT	14000	26374
8 MISC EQUIP (INTANGIBLE)	3896	3896
9 TRUCKING	2500	5400
10 LOG, CORE, DST		
11 LABOR (COMPANY & CONTRACT)	1000	5255
12 PERFORATING - TREATING		
13 TANGIBLE EQUIPMENT		
14 WATER	600	7488
15 OTHER:		4926
16 OTHER: Supervision	1500	9600
17 OTHER:		75100
18 OTHER: Mudloggers	725	5525
19 OTHER:		4400
20 OTHER:		

TOTAL

45921 395,141